

AGENDA

UTAH COUNTIES INDEMNITY POOL BOARD OF TRUSTEES MEETING

Thursday, August 17, 2017, 12:30 p.m.

UAC/UCIP Building, 5397 S Vine, Murray, Utah

12:30 Open Meeting, Pledge of Allegiance Bruce Adams

ITEM ACTION

1.	Review/Excuse Board Members Absent	Bruce Adams
2.	Review/Approve June 22, 2017 Meeting Minutes	Karla Johnson
3.	Ratification/Approval of Payments and Credit Card Transactions	Karla Johnson
4.	Ratification/Approval of New PTIF Restricted Account	Sonya White
5.	Review/Approve Second Quarter Financial Statements	Sonya White
6.	Actuarial Report	Lisa Dennison
7.	Review/Approve Actuarial Rating Indication	Johnnie Miller
8.	Review/Approve 2018 Rating Structure and Tentative Member Contributions	Sonya White
9.	Review/Approve County Related Entities Membership	Mike Wilkins
10.	Review/Approve Best Practices for Internal Control and Governance	Sonya White
11.	Review/Approve Internal Accounting Controls Policy	Sonya White
12.	Review/Approve Board Compensation Policy	Johnnie Miller
13.	Review/Approve Expense Reimbursement Policy	Johnnie Miller
14.	Review/Approve Committees of the Board Policy	Johnnie Miller
15.	Review/Approve Legal Status of UCIP and Reference To Governing Body	Johnnie Miller
16.	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Bruce Adams
17.	Action on Personnel Matters	Deb Alexander
18.	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Bruce Adams
19.	Action on Litigation Matters	Dale Eyre
20.	Law Enforcement Committee Report—Review AG De-Escalation Training Funding	Robert Dekker
21.	Review Potential UAC Contract Terms	Johnnie Miller

INFORMATION

22.	Chief Executive Officer's Report	Johnnie Miller
23.	Other Business	Bruce Adams

Electronic Meeting Notice: 888-447-7153, Participant Passcode: 2261240 Anchor Location: 5397 S Vine, Murray, UT



Entity: Utah Counties Indemnity Pool

Body: Board of Trustees

Subject:	Administrative Services
Notice Title:	Board of Trustees Meeting
Meeting Location:	5397 S Vine St Murray 84107-6757
Event Date & Time:	August 17, 2017 Aug 17, 2017 - Aug 17, 2017
Description/Agenda:	<p>Review/Excuse Board Members Absent</p> <p>Review/Approve June 22, 2017 Meeting Minutes</p> <p>Ratification/Approval of Payments and Credit Card Transactions</p> <p>Ratification/Approval of New PTIF Restricted Account</p> <p>Review/Approve Second Quarter Financial Statements Actuarial Report</p> <p>Review/Approve Actuarial Rating Indication</p> <p>Review/Approve 2018 Rating Structure and Tentative Member Contributions</p> <p>Review/Approve County Related Entities Membership</p> <p>Review/Approve Best Practices for Internal Control and Governance</p> <p>Review/Approve Internal Accounting Controls Policy</p> <p>Review/Approve Board Compensation Policy</p> <p>Review/Approve Expense Reimbursement Policy</p> <p>Review/Approve Committees of the Board Policy</p> <p>Review/Approve Legal Status of UCIP and Reference To Governing Body</p> <p>Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual</p> <p>Action on Personnel Matters Deb Alexander</p> <p>Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation</p> <p>Action on Litigation Matters</p> <p>Law Enforcement Committee Report-Review AG De-Escalation Training Funding</p> <p>Review Potential UAC Contract Terms</p> <p>Chief Executive Officer's Report</p> <p>Other Business</p>
Notice of Special Accommodations:	In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Indemnity Pool, 5397 S

Vine St, Murray, UT 84107-6757, or call 801-565-8500, at least three days prior to the meeting.

Notice of Electronic or telephone participation:

Any Member of the Utah Counties Indemnity Pool Board of Trustees may participate telephonically.

Other information:

Contact Information:

Sonya White
(801)565-8500
sonya@ucip.utah.gov

Posted on:

August 15, 2017 07:34 PM

Last edited on:

August 15, 2017 07:34 PM

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**BOARD OF TRUSTEES' MEETING
MINUTES**

August 17, 2017, 12:30 p.m.

UAC/UCIP Building, 5397 S Vine, Murray, Utah

BOARD MEMBERS PRESENT

Bruce Adams, *President*, San Juan County Commissioner
Bret Millburn, *Vice President*, Davis County Commissioner
Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor
Alma Adams, Iron County Commissioner
Deb Alexander, Davis County Human Resources Director
William Cox, Rich County Commissioner
Robert Decker, Millard County Sheriff
James Ebert, Weber County Commissioner
Jim Kaiserman, Wasatch County Surveyor
Mike Wilkins, Uintah County Clerk/Auditor
Mark Whitney, Beaver County Commissioner

BOARD MEMBERS ABSENT

Dale Eyre, Sevier County Attorney
Victor Iverson, Washington County Commissioner

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer
Lisa Dennison, By The Numbers Actuarial Consulting

Call to Order

Bruce Adams called the meeting of the Utah Counties Indemnity Pool's Board of Trustees to order at 12:30 p.m. on August 17, 2017 and welcomed those in attendance.

Review/Excuse Board Members Absent

Jim Kaiserman made a motion to excuse Dale Eyre and Victor Iverson from this meeting. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve June 22, 2017 Meeting Minutes

The draft minutes of the Board of Trustees meeting held June 22, 2017 were previously sent to the Board Members for review (see attachment number one). William Cox made a motion to approve the June 22, 2017 Board of Trustees meeting minutes as written. Jim Kaiserman seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

Karla Johnson reported that she has reviewed the payments made, the payments to be made and the credit card transactions of the Pool as of June 23 through August 17, 2017 (see attachment number two). Karla Johnson made a motion to approve the payments made, the payments to be made and the credit card transactions as presented. Deb Alexander seconded the motion, which passed unanimously.

Ratification/Approval of New PTIF Restricted Account

Sonya White reported that the Money Management Council is in the process of updating their rules in response to the changes in the State Money Management Act. Effective August 21, 2017, *Rule 4 is being changed to allow a public treasurer to use...crime insurance...through an inter-local agency that is a joint self-insurance fund. This fund must maintain a restricted account in the PTIF equal to 50% of the per occurrence limit of coverage.* In preparation of this change, Sonya White contacted the Utah Public Treasurers' Investment Fund (PTIF) to set-up a new restricted account for 50% of the Pool's self-insured retention for crime coverage and requested the Board to ratify this process (see attachment number three). Mike Wilkins made a motion to approve the new PTIF restricted account (8542) for the purposes of complying with Rule 4 of the Money Management Council in the amount of \$125,000. Any interest earned in the restricted account will be transferred to the Pool's main PTIF account (1395). Karla Johnson seconded the motion, which passed unanimously.

Review/Approve Second Quarter Financial Statements

The in-house prepared, unaudited account balances arising from cash transactions and from accrual transactions as of June 30, 2017 were previously sent to the Board for review (see attachment number four). Sonya White presented the Statement of Net Position at the end of the second quarter showing total assets and liabilities of \$16,633,800. Liabilities include a net position of \$5,318,453, an increase of \$665,557 from the year ending 2016. The Statement of Revenues, Expenses and Changes in Net Position shows that with the year 50% complete, income is at 50% actual to budget and expenses are at 41% actual to budget. Losses and loss adjustment expenses are at 38%. The Statement of Cash Flows shows the net cash used by operating actives for the second quarter were: \$2,383,029. Karla Johnson made a motion to approve the second quarter financial statements as presented. William Cox seconded the motion which passed unanimously.

Actuarial Report

Lisa Dennison explained that the Pool is legally obligated to collect enough in contributions to pay claims. Losses and loss adjustment expenses greatly impact the Pool's financials. The Pool relies on actuaries to calculate the amount of reserves to budget for losses and the amount of contribution to collect to pay losses. Dennison presented a summary of the Contributions Analysis for the program year 2018 (see attachment number five). The findings of By The Numbers Actuarial Consulting (BYNAC) are that the Pool will need to collect an estimated amount of \$6,030,000 in contributions, a 2.6 percent increase from the prior year. The loss projections in the five major coverage categories (Auto Liability, General Liability, Law Enforcement Liability, Property and Public Officials Liability), along with the estimated 2018 fixed expenses are used in the analysis for the findings. From the prior year, automobile losses have not increased, general liability losses have increased 20%, law enforcement liability has increased 18%, property losses have increased 10% and public officials' losses have decreased 9%. Dennison provided a breakdown of expenses. Reinsurance is 28% of contribution and fixed expenses are at 16% of contribution.

Review/Approve Actuarial Rating Indication

Johnnie Miller recommended that the Board approve the expected indication of the Actuary's findings (undiscounted for investment income). Alma Adams made a motion to approve the Actuarial rating indications and the expected indication of \$6,030,000 of contributions to collect for the 2018 program as presented and discussed in the actuarial report. Robert Dekker seconded the motion, which passed unanimously.

Review/Approve 2018 Rating Structure and Tentative Member Contributions

Sonya White prepared and presented tentative contributions for the 2018 program based on the rate indications from By The Numbers Actuarial Consulting and the Pool's excess carrier, County Reinsurance Limited (see attachment number six). White explained that the rating structure approved by the Board in 2017, i.e., using number of full-time employees instead of net operating expenditures to calculate liability contributions, formulates larger swings than exposures would indicate in a few of the individual member contributions. Therefore, the Board may want to utilize the rate stabilization fund. Bret Millburn made a motion to approve the rating structure and tentative 2018 member contributions with the utilization of the rate stabilization fund for budgeting purposes. James Ebert seconded the motion, which passed unanimously.

Review/Approve County Related Entities Membership

Mike Wilkins explained there are several entities that are working to get their paperwork in order to be considered for membership in the Pool: Box Elder County Special Service District, Iron County Special Service District #1, Iron County Special Service District #3, Juab County Special Service Fire Protection District, Juab County Special Service District #1, Juab County Special Service District #2, Piute County Special Service District #1. San Juan Mental Health/Substance Abuse Special Service District has been contacted several times by the Pool management, as requested, but has not responded. Discussions in regards to the Junior Livestock Associations have found that they are not eligible for membership. No action was taken at this time.

Review/Approve Best Practices for Internal Control and Governance

Johnnie Miller explained that the State of Utah Legislative Auditor General published report number 2017-05 to the Utah Legislature in regards to the internal control of, what they refer to as, Limited Purpose Entities. These entities include: special service districts, interlocal entities, local districts and independent entities. In a review of 27 entities, weak management controls and poor board oversight were attributed to misuse of funds. The Legislative Auditor provides a checklist of best practices for board members (see attachment number seven). The Board reviewed each item on the checklist and directed management to draft a Best Practices for Internal Control and Governance Policy for the Board to review at the next meeting.

Review/Approve Internal Accounting Controls Policy

A draft policy on Internal Accounting Controls was previously sent to the Audit Committee for review (see attachment number eight). Sonya White explained that the purpose of this Policy is to describe all accounting procedures currently in use and to ensure that the financial statement conform to generally accepted accounting principles, assets are safeguarded and finances are managed with accuracy, efficiency and transparency. Karla Johnson explained that the Audit Committee members have reviewed the draft policy and recommend its approval. Mark Whitney made a motion to approve the Internal Accounting Controls Policy as presented. If management finds that updates need to be made based on the best practices recommended by the Utah Legislative Auditor, then the policy will be reviewed again at the next meeting. Karla Johnson seconded the motion, which passed unanimously.

Review/Approve Board Compensation Policy

Johnnie Miller provided an annual review of the Trustee Compensation Policy (see attachment number nine). The Policy states that membership on the Board is an uncompensated position and that it is not intended to prohibit reimbursement in accordance with the Reimbursement Policy. Miller reviewed amendments to the Policy with the Board. Alma Adams made a motion to approve the amendments to the Trustee Compensation Policy as presented. Bret Milburn seconded the motion, which passed unanimously.

Review/Approve Expense Reimbursement Policy

Johnnie Miller provided an annual review of the Reimbursement Policy (see attachment number 10). The Policy defines reimbursement of travel and other expenses. Miller reviewed amendments to the Policy with the Board. Jim Kaiserman made a motion to approve the amendments to the Reimbursement Policy as presented, with the exception that references to the rate for mileage reimbursement at \$0.54 be changed to the current rate approved in the State Rules. Mike Wilkins seconded the motion, which passed unanimously.

Review/Approve Committees of the Board

A draft policy on Committees of the Board was previously sent to the Board for review (see attachment number 11). Johnnie Miller explained that the purpose of this Policy is to outline the use of committees, duties, and scope of authority delegated to committees allowed by the Interlocal Agreement and Bylaws. William Cox made a motion to approve the Committees of the Board Policy as presented. Deb Alexander seconded the motion, which passed unanimously.

Review/Approve Legal Status of UCIP and Reference to Governing Body

Johnnie Miller provided a memorandum to the Board relating to the reference of Members of the Board. Miller explained that for some time, the members of the Board of UCIP have been referred to as Trustees, and the Board has been referred to as the Board of Trustees (see attachment number 12). Because the statute sets out specific requirements when a trust is created versus another form of entity, it is important for the Board to consider clarifying that UCIP is not a trust and that the Board members are not trustees. Based on Miller's research and according to UCIP's Interlocal Agreement and other operating policies, UCIP is clearly not a trust. Once a member pays its contribution to UCIP, those funds become an asset of the UCIP, and are no longer an asset of the member. In a trust situation, a member would pay funds into the trust, and those funds would remain the asset of the individual member. Mark Whitney made a motion directing management to start the process of changing any reference to the *Board of Trustees* to the *Board of Directors* to all Pool governing documents. James Ebert seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Mark Whitney made a motion to strike agenda item: Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual. Deb Alexander seconded the motion, which passed unanimously.

Action on Personnel Matters

Mark Whitney made a motion to strike agenda item: Action on Personnel Matters. Deb Alexander seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Bret Millburn made a motion to strike agenda item: Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation. William Cox seconded the motion, which passed unanimously.

Action on Litigation Matters

Bret Millburn made a motion to strike agenda item: Action on Litigation Matters. William Cox seconded the motion, which passed unanimously.

Law Enforcement Committee Report—Review AG De-Escalation Training Funding

Robert Dekker reported that Ken Wallentine, Special Agent of the Utah Attorney General Investigation Division, has approached UCIP to help fund de-escalation training for the Sheriff's offices throughout the state. Mike Wilkins made a motion to approve that de-escalation training be provided by Ken Wallentine regionally in member counties and give management the authority to negotiate the expenses related in providing this training. Mark Whitney seconded the motion, which passed unanimously.

Robert Dekker reported that the Utah Disability Law Center and the American Civil Liberties Union is alleging that the Sheriffs have no control in the jails because they have no standards or policies. This is further from the truth but legislators are reading this in the media and want the Sheriffs Association to produce their standards/policies. In 1995 UCIP commissioned Gary DeLand to write the Utah Jail Standards. UCIP gifted these standards to the Sheriffs Association who has the copyright. DeLand has since written an annotated version of the jail standards that is the property of DeLand that can be subscribed to online. The legislature believes there are no standards and therefore want to write them for the Sheriffs. The Sheriffs will discuss this at their September Annual Meeting so Dekker will keep the Board abreast of the issue.

Review Potential UAC Contract Terms

Johnnie Miller provided a list of terms for the Board to consider in drafting an agreement important to the relationship between UCIP and the Utah Association of Counties (UAC) (see attachment number 13). Miller has provided a copy of the terms to the Chief Executive Officer of UAC, Adam Trupp. Miller requested guidance from the Board once they have had an opportunity to review the list and make any additions/deletions to the terms.

Chief Executive Officer's Report

Johnnie Miller provided the Board with Utah's marketing report used by County Reinsurance Limited (CRL) to negotiate excess rates above CRL's \$2M retention (see attachment number 13).

Johnnie Miller provided the Board with the most recent usage report from LocalGovU (see attachment number 14). Member usage is up 370% from this time last year. Members are really starting to see the benefits of this online training.

Johnnie Miller provided the Board with the schedule for the upcoming Risk Management Workshop (see attachment number 14). The topics provided this year are: Selling Risk—Top Down and Bottom Up; Drones—Privacy and Safety; Cyber Risk Responsibilities; Rise in ADA Non-Compliance Claims—How to Be Prepared; State Nepotism Laws and How to Handle the Exceptions; Active Shooter; Effective Safety Training Techniques for the Trainer; and Promoting the Portal—training for Officials and Employees. Presenters are from the National Public Risk Management Association, the University of Utah, State Agencies, WCF Insurance, LocalGovU and UCIP's defense attorneys. There are 70 officials and employees registered for this event.

Johnnie Miller provided the Board with the announcement for the County Elected Officials Ride on the Paiute Trail (see attachment number 15). The Utah Association of Counties and the Utah Counties Indemnity Pool are sponsoring the lunch for the officials.

Other Business


The next meeting of the Board of Trustees will be held Thursday, October 12, 2017 at 12:30 p.m. at the UAC/UCIP Offices, 5397 S Vine, Murray, Utah.

Prepared by:



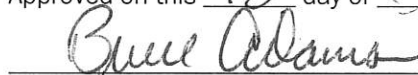
Sonya White, UCIP Chief Financial Officer

Submitted on this 12 day of October 2017



Mike Wilkins, Member of the Board

Approved on this 12 day of October 2017



Bruce Adams, President

UTAH COUNTIES INDEMNITY POOL

PAYMENTS AND CREDIT CARD TRANSACTIONS

June 23 - August 17, 2017

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
500-000000-10010100 ZionsHRA					
07/21/2017	Expense			ZIONS WEB BUS BILLPAY PAYMENTS 2 ZIONS WEB BUS BILLPAY PAYMENTS 25 Jun	-6.00
Total for 500-000000-10010100 ZionsHRA					\$ -6.00
500-000000-10010100 ZionsMLC					
06/26/2017	Check	BILLPAY	San Juan County	Claim: SAJ0000022017	-1,816.25
06/26/2017	Check	BILLPAY	Uintah County	Claim: UIN0000122017	-357.00
06/26/2017	Check	BILLPAY	Sanpete County	Claim: SAN0000162017	-386.20
06/26/2017	Check	BILLPAY	Enterprise Rent-A-Car, Inc.	Invoice: IAG4709	-1,053.44
06/26/2017	Check	BILLPAY	Enterprise Rent-A-Car, Inc.	Invoice: IAG4709	-803.51
06/26/2017	Check	BILLPAY	O'Reilly Auto Parts	Invoice: AU-00015666-APD-1	-9,395.39
06/26/2017	Check	BILLPAY	Rock Jefferies	Claim: DAV0000272017	-371.78
06/26/2017	Check	BILLPAY	Robert Glen Bills	Claim: WAT0000122017	-2,507.91
07/03/2017	Check	ACH	Hutton Law Associates, PC	Invoice: 00250	-5,471.30
07/03/2017	Check	ACH	Hutton Law Associates, PC	Invoice: 00252	-3,195.70
07/03/2017	Check	ACH	Hutton Law Associates, PC	Invoice: 00249	-8,440.76
07/03/2017	Check	ACH	Hutton Law Associates, PC	Invoice: 00251	-2,595.00
07/03/2017	Check	ACH	Mylar Law, PC	Invoice: 20170084	-19,353.63
07/03/2017	Check	ACH	XACT Data Discovery	Invoice: 4612905	-440.42
07/03/2017	Check	ACH	Millard County	Claim: MIL0000022016	-46,375.75
07/03/2017	Check	ACH	Weber County	Claim: WEB0000542017	-29,033.95
07/06/2017	Check	BILLPAY	San Juan County	Claim: SAJ0000162017	-949.60
07/06/2017	Check	BILLPAY	State Farm	Invoice: 4416218S4	-4,198.66
07/06/2017	Check	BILLPAY	Rocky Mountain Power	Claim: 6276541	-2,536.62
07/06/2017	Check	BILLPAY	Tara Kilburn	Claim: MIL0001022017	-648.63
07/06/2017	Check	BILLPAY	Zach Norr	Claim: WHS0000212017	-1,915.39
07/06/2017	Check	BILLPAY	Sarah Pipkin	Claim: SAJ0001392017	-2,915.78
07/06/2017	Check	BILLPAY	Moises Rubi	Claim: WEB000052017	-431.48
07/18/2017	Check	ACH	Kane County	Claim: KAN0000092017	-1,505.34
07/18/2017	Check	ACH	Millard County	Claim: MIL0000112017	-396.20
07/18/2017	Check	ACH	Goebel Anderson PC	Invoice: 1490	-16,133.16
07/18/2017	Check	ACH	Goebel Anderson PC	Invoice: 1493	-4,497.50
07/18/2017	Check	ACH	Goebel Anderson PC	Invoice: 1491	-2,159.25
07/18/2017	Check	ACH	Goebel Anderson PC	Invoice: 1492	-385.00
07/18/2017	Check	ACH	Mylar Law, PC	Invoice: 20170083	-7,099.50
07/18/2017	Check	ACH	Mylar Law, PC	Invoice: 20170095	-5,925.98
07/18/2017	Check	ACH	Mylar Law, PC	Invoice: 20170096	-7,835.95
07/18/2017	Check	ACH	Suitter Axland	Invoice: 1288579	-2,190.00
07/18/2017	Check	ACH	Suitter Axland	Invoice: 1288577	-5,509.06
07/18/2017	Check	ACH	Suitter Axland	Invoice: 1288412	-112.50
07/18/2017	Check	ACH	Suitter Axland	Invoice: 1288574	-3,337.44
07/18/2017	Check	ACH	Suitter Axland	Invoice: 1288573	-4,881.43

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
07/20/2017	Check	BILLPAY	Tanner Williams	Claim: WAT0000132017	-974.14
07/20/2017	Check	BILLPAY	Douglas Webb	Claim: WHS0000232017	-996.28
07/20/2017	Check	BILLPAY	Western Restoration, Inc.	Claim: MIL0000022017	-5,347.40
07/20/2017	Check	BILLPAY	David Travis	Claim: WAS0000132017	-880.26
07/20/2017	Check	BILLPAY	Rock Jefferies	Claim: DAV0000272017	-479.46
07/20/2017	Check	BILLPAY	Daggett County	Claim: DAG0000042017	-206.86
08/01/2017	Check	ACH	Stirba, PC	Invoice: 144001010	-9,567.00
08/01/2017	Check	ACH	Strong & Hanni	Invoice: 170395	-5,314.72
08/01/2017	Check	ACH	Strong & Hanni	Invoice: 170392	-1,341.90
08/01/2017	Check	ACH	Strong & Hanni	Invoice: 170393	-1,725.50
08/01/2017	Check	ACH	Mylar Law, PC	Invoice: 20170098	-5,955.00
08/01/2017	Check	ACH	Mylar Law, PC	Invoice: 20170097	-4,327.24
08/01/2017	Check	ACH	Davis County	Claim: DAV0000322017	-936.01
08/01/2017	Check	ACH	Weber County	Claim: WEB0000552017	-437.80
08/03/2017	Check	BILLPAY	Rich County	Claim: RIC0000012017	-9,774.32
08/07/2017	Check	ACH	Dunn & Dunn, PC	Invoice: 37707	-4,627.00
08/07/2017	Check	ACH	Dunn & Dunn, PC	Invoice: 37706	-9,879.00
08/07/2017	Check	ACH	Dunn & Dunn, PC	Invoice: 37704	-151.00
08/07/2017	Check	ACH	Dunn & Dunn, PC	Invoice: 37705	-1,485.00
08/07/2017	Check	ACH	Hutton Law Associates, PC	Invoice: 00256	-3,975.60
08/07/2017	Check	ACH	Hutton Law Associates, PC	Invoice: 00255	-8,659.96
08/07/2017	Check	ACH	Hutton Law Associates, PC	Invoice: 00254	-5,321.56
08/07/2017	Check	ACH	Suitter Axland	Invoice: 1288661	-2,073.56
08/07/2017	Check	ACH	Suitter Axland	Invoice: 1288660	-2,875.00
08/07/2017	Check	ACH	Suitter Axland	Invoice: 1288659	-3,086.94
08/07/2017	Check	ACH	Suitter Axland	Invoice: 1288657	-1,701.25
08/07/2017	Check	ACH	Suitter Axland	Invoice: 1288655	-2,553.32
08/07/2017	Check	ACH	Suitter Axland	Invoice: 1288654	-2,737.19
08/07/2017	Check	ACH	Suitter Axland	Invoice: 1288332	-217.61
08/07/2017	Check	ACH	Durham Jones & Pinegar	Invoice: 577746	-2,185.50
08/07/2017	Check	ACH	Durham Jones & Pinegar	Invoice: 577745	-9,409.53
08/07/2017	Check	ACH	Durham Jones & Pinegar	Invoice: 577744	-511.00
08/07/2017	Check	ACH	Durham Jones & Pinegar	Invoice: 577743	-3,588.88
08/07/2017	Check	ACH	Mylar Law, PC	Invoice: 20170099	-6,529.00
08/09/2017	Check	BILLPAY	Hillyard, Anderson & Olsen, P.C.	Claim: WEB0004462013	-23,000.00
08/14/2017	Check	ACH	Goebel Anderson PC	Invoice: 1518	-3,756.25
08/14/2017	Check	ACH	Goebel Anderson PC	Invoice: 1549	-6,661.73
08/14/2017	Check	ACH	Mylar Law, PC	Invoice: 20170100	-10,933.10
08/14/2017	Check	ACH	Mylar Law, PC	Invoice: 20170102	-1,629.79
08/14/2017	Check	ACH	Weber Human Services-	Claim: WHS0000242017	-100.80
08/14/2017	Check	ACH	Frontier Adjusters, Inc.	Invoice: T683085	-135.00
08/16/2017	Check	BILLPAY	Washington County	Claim: WAS0000142017	-16,942.93
08/16/2017	Check	BILLPAY	Jonathan Nevitt	Claim: BOX0000062017	-1,699.00

Total for 500-000000-10010100 ZionsMLC

\$ -391,852.85

500-000000-10010100 ZionsMLE

06/26/2017	Bill Payment (Check)	BILLPAY	MassiveCert, Inc.	Invoice: 1345	-8.75
06/26/2017	Bill Payment (Check)	BILLPAY	Office Depot	Invoice: 934918867001	-15.42
06/26/2017	Bill Payment (Check)	BILLPAY	Office Depot	Invoice: 934918959001	-2.78
06/26/2017	Check	ONLINE	Utah Retirement Systems	Confirmation: 062627122487	-7,639.38

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
06/27/2017	Check	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,376.72
06/27/2017	Check	ACH	Victor Iverson	Mileage Reimbursement	-315.65
06/27/2017	Check	ACH	James Kaiserman	Mileage Reimbursement	-52.43
06/27/2017	Check	ACH	Karla Johnson	Mileage Reimbursement	-326.35
06/27/2017	Check	ACH	PEHP-LTD	Agency: 1076	-195.51
06/27/2017	Check	ACH	Public Employees Health Program	Invoice: 0122117888	-5,598.77
06/27/2017	Bill Payment (Check)	ACH	Les Olson Company	Invoice: EA722071	-46.54
06/29/2017	Payroll Check	DD	Johnnie R. Miller	Pay Period: 06/16/2017-06/30/2017	-4,995.52
06/29/2017	Payroll Check	DD	Marty L. Stevens	Pay Period: 06/16/2017-06/30/2017	-1,815.60
06/29/2017	Payroll Check	DD	Korby M. Siggard	Pay Period: 06/16/2017-06/30/2017	-2,315.98
06/29/2017	Payroll Check	DD	Sonya J. White	Pay Period: 06/16/2017-06/30/2017	-1,914.11
06/29/2017	Check	BILLPAY	Deb Alexander	Mileage Reimbursement	-9.63
06/29/2017	Check	BILLPAY	Bret Millburn	Mileage Reimbursement	-26.75
06/29/2017	Check	BILLPAY	Mike Wilkins	Mileage Reimbursement	-186.18
07/07/2017	Bill Payment (Check)	ONLINE	American Express	3-41009	-3,091.98
07/10/2017	Bill Payment (Check)	ACH	Utah Association of Counties	Invoice: 5432	-20,000.00
07/10/2017	Bill Payment (Check)	ACH	HCA Asset Management, LLC	Invoice: 17-0734	-13,320.00
07/10/2017	Bill Payment (Check)	ACH	Gallagher Bassett Services, Inc.	Invoice: 15169	-228.00
07/12/2017	Check	BILLPAY	James Ebert	Expense Reimbursement	-36.00
07/13/2017	Payroll Check	DD	Marty L. Stevens	Pay Period: 07/01/2017-07/15/2017	-1,648.36
07/13/2017	Payroll Check	DD	Sonya J. White	Pay Period: 07/01/2017-07/15/2017	-1,914.10
07/13/2017	Payroll Check	DD	Johnnie R. Miller	Pay Period: 07/01/2017-07/15/2017	-4,995.52
07/13/2017	Payroll Check	DD	Korby M. Siggard	Pay Period: 07/01/2017-07/15/2017	-2,315.97
07/17/2017	Bill Payment (Check)	ONLINE	Bankcard Center		-25.01
07/18/2017	Bill Payment (Check)	ACH	AGRIP	Invoice: 016490	-1,524.77
07/18/2017	Bill Payment (Check)	ACH	Revco Leasing Company, LLC	Invoice: 465010	-435.91
07/18/2017	Bill Payment (Check)	ACH	Suitter Axland	Invoice: 1288571	-12,468.16
07/21/2017	Expense			SERVICE AND TRANSACTION FEES	-182.24
07/26/2017	Check	ONLINE	Utah Retirement Systems	Confirmation: 07261341563	-7,608.31
07/28/2017	Payroll Check	DD	Korby M. Siggard	Pay Period: 07/16/2017-07/31/2017	-2,315.97
07/28/2017	Payroll Check	DD	Sonya J. White	Pay Period: 07/16/2017-07/31/2017	-1,914.11
07/28/2017	Payroll Check	DD	Johnnie R. Miller	Pay Period: 07/16/2017-07/31/2017	-4,995.53
07/28/2017	Payroll Check	DD	Marty L. Stevens	Pay Period: 07/16/2017-07/31/2017	-1,815.59
07/28/2017	Check	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,376.72
07/31/2017	Check	ACH	PEHP-LTD	Agency: 1076	-194.39
07/31/2017	Check	ACH	Public Employees Health	Invoice: 0122143208	-5,598.77

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
			Program		
07/31/2017	Bill Payment (Check)	ACH	Les Olson Company	Invoice: EA726810	-43.70
07/31/2017	Bill Payment (Check)	ACH	Strong & Hanni	Invoice: 170394	-544.00
08/01/2017	Check	ACH	Johnnie R. Miller	Expense Reimbursement	-744.78
08/03/2017	Bill Payment (Check)	BILLPAY	Office Depot	Invoice: 944198434001	-20.56
08/07/2017	Bill Payment (Check)	ACH	Gallagher Bassett Services, Inc.	Invoice: 15178	-180.00
08/07/2017	Bill Payment (Check)	ACH	HCA Asset Management, LLC	Invoice: 17-0749	-4,600.00
08/07/2017	Bill Payment (Check)	ONLINE	American Express	3-41009	-460.53
08/11/2017	Bill Payment (Check)	ONLINE	Bankcard Center		-55.00
08/14/2017	Payroll Check	DD	Johnnie R. Miller	Pay Period: 08/01/2017-08/15/2017	-4,995.51
08/14/2017	Payroll Check	DD	Marty L. Stevens	Pay Period: 08/01/2017-08/15/2017	-1,815.60
08/14/2017	Payroll Check	DD	Sonya J. White	Pay Period: 08/01/2017-08/15/2017	-1,914.11
08/14/2017	Payroll Check	DD	Korby M. Siggard	Pay Period: 08/01/2017-08/15/2017	-2,315.98
08/14/2017	Bill Payment (Check)	ACH	Arthur J. Gallagher & Co.	Invoice: 2263793	-2,560.00
08/14/2017	Bill Payment (Check)	ACH	By The Numbers Actuarial Consulting, Inc.	Invoice: 2017-217	-7,250.00
08/14/2017	Bill Payment (Check)	ACH	Revco Leasing Company, LLC	Invoice: 467701	-435.91
08/14/2017	Bill Payment (Check)	ACH	Suitter Axland	Invoice: 1288652	-3,015.00
08/16/2017	Bill Payment (Check)	BILLPAY	TCNS, Inc.	Invoice: 7099	-1,380.00
08/16/2017	Bill Payment (Check)	BILLPAY	TCNS, Inc.	Invoice: 7048	-415.00
08/16/2017	Bill Payment (Check)	BILLPAY	Office Depot	Invoice: 949429909001	-114.17
08/16/2017	Bill Payment (Check)	BILLPAY	Office Depot	Invoice: 948943185001	-167.26
08/16/2017	Bill Payment (Check)	BILLPAY	Office Depot	Invoice: 948943467001	-42.78
Total for 500-000000-10010100 ZionsMLE					\$ -149,917.37

The MMC Times

July 1, 2017

Volume 23 Page 1

Changes to Rules

The Council is in process of changing rules to respond to the changes in the Act in this last session. Because of the time frames needed to change the Rules, the Council is holding off on printing the new booklet of the Act and Rules of the Council until these rules are effective. Until then, you can check on line at www.treasurer.utah.gov for the current Act and Rules. Here is a summary of the changes.

Rule 4

This rule is being changed to allow a public treasurer to use either the regular fidelity bond or crime insurance issued either by a licensed insurer in the state of Utah rated "A" or better by AM Best or through an inter-local agency that is a joint self-insurance fund. This fund must maintain a restricted account in the PTIF equal to 50% of the per occurrence limit of coverage. The percentages of the bond or crime insurance required has not changed. The rule will be published in the Administrative Rules Bulletin on July 15th and available for comment until August 14th. The rule may be made effective as of August 21.

Rule 15

This rule is being changed to allow Certified Investment Advisers to use their own list of approved broker/dealers to trade with for Utah public treasurers.

Before this change, Advisers were required to use the same list of Certified Dealers as the public treasurer is allowed to use. The rule will be published in the Administrative Rules Bulletin on July 15th and available for comment until August 14th. The rule may be made effective as of August 21.

Rule 19

This rule describes what a public entity must do when using a Certified Investment Adviser. In section 5.4(d) public treasurers are charged with verifying that certified advisers use only certified dealers or qualified dealers. This line will be removed as certified advisers will now be allowed to use their own approved list of brokers to trade for public entities. This change is minor and will be removed in October after the Council reviews the change and submits it to Administrative Rules.

That is all for this quarter! !

STATEMENT OF ACCOUNT

PTIF

UTAH PUBLIC TREASURERS' INVESTMENT FUND

David Damschen, Utah State Treasurer, Fund Manager

PO Box 142315

350 N State Street, Suite 180

Salt Lake City, Utah 84114-2315

Local Call (801) 538-1042 Toll Free (800) 395-7665

www.treasurer.utah.gov

UT COUNTY IND/MMAR4 RESTRICTED

SONYA WHITE

5397 S VINE ST

MURRAY UT 84107-6757

Account	Account Period
8542	July 01, 2017 through July 31, 2017

Summary

Beginning Balance	\$ 0.00	Average Daily Balance	\$ 60,483.87
Deposits	\$ 125,000.00	Interest Earned	\$ 0.00
Withdrawals	\$ 0.00	360 Day Rate	0.0000
Ending Balance	\$ 125,000.00	365 Day Rate	0.0000

Date	Activity	Deposits	Withdrawals	Balance
07/01/2017	FORWARD BALANCE	\$ 0.00	\$ 0.00	\$ 0.00
07/17/2017	FROM8542	\$ 125,000.00	\$ 0.00	\$ 125,000.00
07/31/2017	ENDING BALANCE	\$ 0.00	\$ 0.00	\$ 125,000.00



Utah Counties Indemnity Pool

FINANCIAL STATEMENTS

Quarter Ending June 30, 2017

UTAH COUNTIES INDEMNITY POOL
STATEMENTS of REVENUES, EXPENSES, and CHANGES in NET POSITION
Quarter Ended June 30, 2017

	<u>Jun 30, 2017</u>	<u>Budget</u>	<u>Over Budget</u>	<u>% of Budget</u>
OPERATING INCOME				
Contributions	\$ 3,050,058	6,115,000	(3,064,942)	50%
Investment income	81,109	75,000	6,109	108%
Other income	(4,645)	7,000	(11,645)	-66%
TOTAL OPERATING INCOME	<u>3,126,522</u>	<u>6,197,000</u>	<u>(3,070,478)</u>	<u>50%</u>
UNDERWRITING EXPENSES				
Losses and loss adjustment expenses	1,203,321	3,200,000	(2,580,997)	38%
Reinsurance coverage	795,585	1,648,000	(1,202,213)	48%
TOTAL UNDERWRITING EXPENSES	<u>1,998,905</u>	<u>4,848,000</u>	<u>(3,783,210)</u>	<u>41%</u>
ADMINISTRATION EXPENSES				
Trustees	19,453	55,000	(35,547)	35%
Depreciation	1,489	4,000	(2,511)	37%
Risk management	23,709	55,000	(31,291)	43%
Public relations	7,374	15,000	(7,626)	49%
Office	37,822	95,000	(57,178)	40%
Financial	59,484	85,000	(25,516)	70%
Personnel	315,522	675,000	(359,478)	47%
TOTAL ADMINISTRATION EXPENSES	<u>464,852</u>	<u>984,000</u>	<u>(519,148)</u>	<u>47%</u>
TOTAL OPERATING EXPENSES	<u>2,463,758</u>			
NET OPERATING INCOME	<u>662,764</u>			
OTHER INCOME EXPENSES				
Unrealized loss on marketable securities	<u>2,792</u>			
TOTAL OTHER EXPENSES	<u>2,792</u>			
CHANGE IN NET POSITION	665,556			
NET POSITION AT BEGINNING OF YEAR	<u>4,652,897</u>			
NET POSITION AT END OF QUARTER	<u>\$ 5,318,453</u>			

UTAH COUNTIES INDEMNITY POOL
STATEMENTS OF CASH FLOWS
Quarter Ended June 30, 2017

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions collected	\$ 5,665,906	\$ 3,546,803
Other fees collected	(4,645)	15,576
Reinsurance paid	(1,614,201)	(1,592,848)
Losses and loss expenses paid	(1,203,321)	(2,516,889)
Cash paid to employees	(317,035)	(597,368)
Other administrative expenses paid	(143,675)	(260,104)
CASH FLOWS FROM OPERATING ACTIVITIES	<u>2,383,029</u>	<u>(1,404,830)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,407)	(2,846,683)
Sale of investments	-	2,600,000
Investment income	78,381	115,656
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>76,974</u>	<u>(131,027)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,460,003	(1,535,857)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>8,293,711</u>	<u>9,829,568</u>
CASH AND CASH EQUIVALENTS AT END OF QUARTER	<u>\$ 10,753,714</u>	<u>\$ 8,293,711</u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH		
Change in net position	\$ 665,556	\$ 1,480,703
Adjustments to reconcile change in net position to		
Depreciation	1,489	3,763
Interest on investments	(81,109)	(115,835)
Increase in equity in CRL	-	(234,996)
Net outflows of resources relating to pension	-	(17,037)
Unrealized gain on investments	(2,792)	(2,029)
Accounts receivable	75	2,812
Member receivable	(818,616)	-
Prepaid expenses	-	3,420
Security deposits	-	10,788
Reserves for loss and loss adjustment expenses	-	(295,683)
Accounts payable	4,167	25,341
Accrued expenses	(1,513)	19,167
Contributions paid in advance	2,615,773	(2,285,242)
Total adjustments	<u>1,717,474</u>	<u>(2,885,531)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ 2,383,029</u>	<u>\$ (1,404,830)</u>



UTAH COUNTIES INDEMNITY POOL ACTUARIAL REPORT

Contributions Analysis for 1/1-12/31/18

Lisa Dennison, FCAS, MAAA

President and Consulting Actuary



FINDINGS

INDICATED PREMIUM FOR 1/1-12/31/18

	Undiscounted for Investment Income				
	30%	Expected	70%	80%	95%
Indicated Premium	\$5,670,000	\$6,030,000	\$6,310,000	\$6,530,000	\$6,850,000
Estimated Premium	5,880,000				\$7,140,000
Premium Indication	- 3.6%	+ 2.6%	+ 7.3%	+11.1%	+16.5%
					+21.4%
	Discounted for Investment Income at 1.0% per Annum				
	30%	Expected	70%	80%	95%
Indicated Premium	\$5,590,000	\$5,940,000	\$6,210,000	\$6,420,000	\$6,740,000
Estimated Premium	5,880,000				\$7,020,000
Premium Indication	- 4.9%	+ 1.0%	+ 5.6%	+ 9.2%	+14.6%
					+19.4%

COMPARISON OF LOSS PROJECTIONS TO PRIOR REPORT

Coverage	Report	Pure		Exposure	Projected	
		Loss Rate			Losses	
Law Enforcement Liability	Current Prior Change	\$900 760 +18.4%		1,315 1,273 + 3.3%	^ \$ 1,180,000 970,000 +21.6%	
Errors and Omissions	Current Prior Change	\$100 110 - 9.1%		4,624 5,634 -17.9%	# \$ 460,000 620,000 -25.8%	
General Liability	Current Prior Change	\$120 100 +20.0%		4,624 5,634 -17.9%	# \$ 550,000 560,000 - 1.8%	
Auto Liability	Current Prior Change	\$ 70 70 0.0%		3,186 3,208 - 0.7%	* \$ 220,000 220,000 0.0%	
Property	Current Prior Change	\$0.0550 0.0500 +10.0%		\$18,220,451 17,678,906 + 3.1%	~ \$ 1,000,000 880,000 +13.6%	
Total	Current Prior Change	----- ----- + 9.9%		----- ----- - 4.5%	\$ 3,410,000 3,250,000 + 4.9%	

^ Number of officers.
Number of employees.
* Vehicles.
~ Insured value (100).

CONTRIBUTIONS ANALYSIS

METHODOLOGY

- Review Latest Five Years Experience
- By Coverage – Law Enforcement Liability, Errors and Omissions, General Liability, Auto Liability, Property
- Adjust for:
 - Retention
 - IBNR
 - Claim Cost Inflation
 - Exposure

LAW ENFORCEMENT INCURRED LOSS DEVELOPMENT

A. LOSSES LIMITED TO \$250,000

Policy Period	Incurred Losses as of 6/30/17	Number of Claims in Excess of \$250,000	Incurred Losses in Excess of \$250,000	Limited Incurred Losses as of 6/30/17
1/1-12/31/12	\$1,131,846	1	\$ 150,000	\$ 981,846
1/1-12/31/13	393,448	0	0	393,448
1/1-12/31/14	991,593	0	0	991,593
1/1-12/31/15	351,078	0	0	351,078
1/1-12/31/16	671,500	0	0	671,500
Total	\$3,539,465	1	\$ 150,000	\$3,389,465

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Incurred Losses as of 6/30/17	Age of Policy Period in Months	Incurred Loss Development Factor*	Estimated Ultimate Incurred Losses
1/1-12/31/12	\$ 981,846	66.0	1.145	\$1,087,964
1/1-12/31/13	393,448	54.0	1.298	510,696
1/1-12/31/14	991,593	42.0	1.631	1,617,288
1/1-12/31/15	351,078	30.0	2.165	760,084
1/1-12/31/16	671,500	18.0	3.501	2,350,922
Total	\$3,389,465			\$6,326,954

LAW ENFORCEMENT ESTIMATED ULTIMATE INCURRED LOSSES

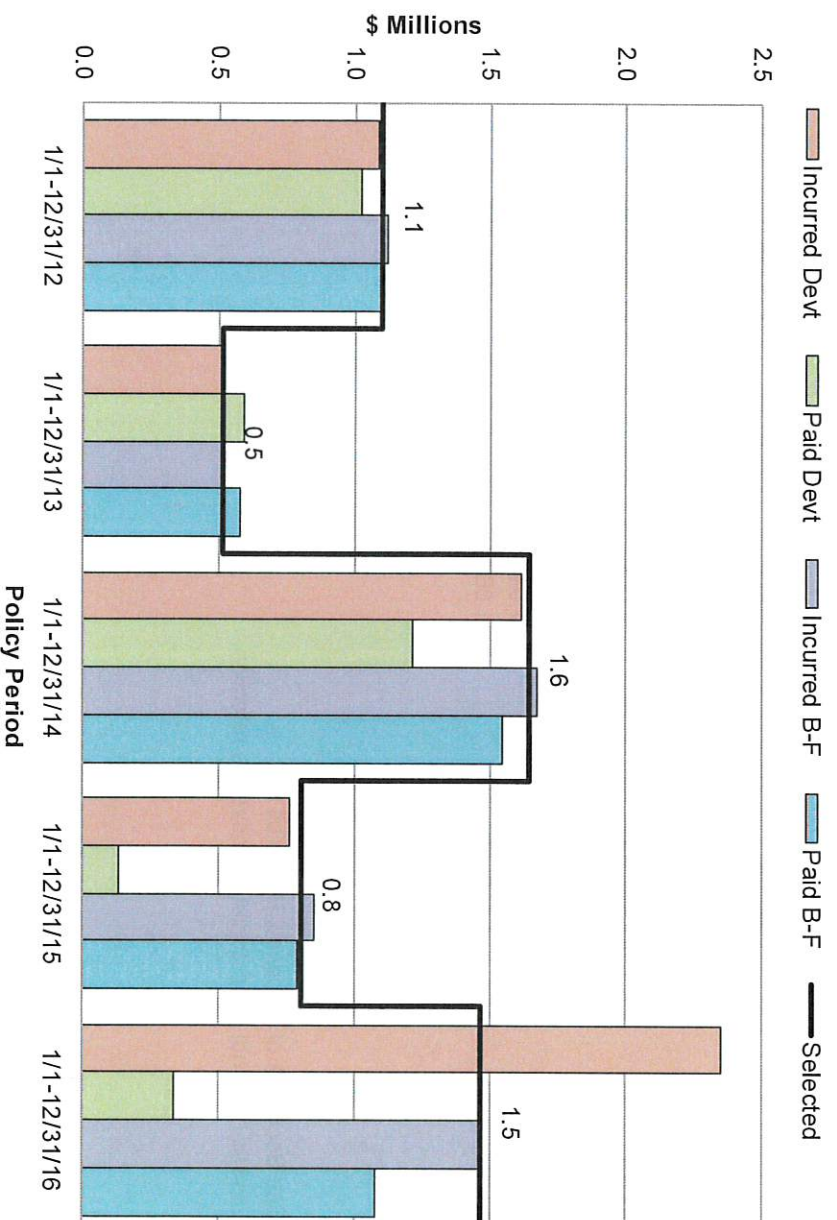
Policy Period	Incurred Loss Development Method	Paid Loss Development Method	Incurred Bornhuetter- Ferguson Method	Paid Bornhuetter- Ferguson Method	Selected Estimated Ultimate Incurred Losses
1/1-12/31/12	\$1,087,964	\$1,023,975	\$1,118,009	\$1,096,433	\$1,102,987 ~
1/1-12/31/13	510,696	591,311	519,555	574,296	515,126 ~
1/1-12/31/14	1,617,288	1,213,512	1,669,171	1,542,419	1,643,230 ~
1/1-12/31/15	760,084	133,635 *	850,779	787,270	805,432 ~
1/1-12/31/16	2,350,922	333,549 *	1,469,459	1,079,015	1,469,459 &
Total	\$6,326,954	\$3,295,982	\$5,626,973	\$5,079,433	\$5,536,234

~ Selected the average of the incurred methods.

* Less than incurred losses.

& Selected the incurred Bornhuetter-Ferguson method.

LAW ENFORCEMENT ESTIMATED ULTIMATE INCURRED LOSSES



LAW ENFORCEMENT COST LEVEL ADJUSTMENT

Policy Period	Estimated Ultimate Incurred Losses	Loss Trend Factor*	Losses Adjusted to 1/1-12/31/18#
1/1-12/31/12	\$1,102,987	1.205	\$1,277,849
1/1-12/31/13	515,126	1.173	604,243
1/1-12/31/14	1,643,230	1.146	1,883,142
1/1-12/31/15	805,432	1.091	878,726
1/1-12/31/16	1,469,459	1.061	1,559,096
Total	\$5,536,234		\$6,203,056

* See Section A of Appendix B, Exhibit I.

Losses have not been adjusted above the retention.

LAW ENFORCEMENT PROJECTED LOSSES

A. PURE LOSS RATES

Policy Period	Adjusted Losses	Number of Officers	Pure Loss Rate per Officer
1/1-12/31/12	\$1,277,849	1,735	\$ 737
1/1-12/31/13	604,243	1,338	452
1/1-12/31/14	1,883,142	1,293	1,456
1/1-12/31/15	878,726	1,256	700
1/1-12/31/16	1,559,096	1,254	1,243
Total	\$6,203,056	6,876	

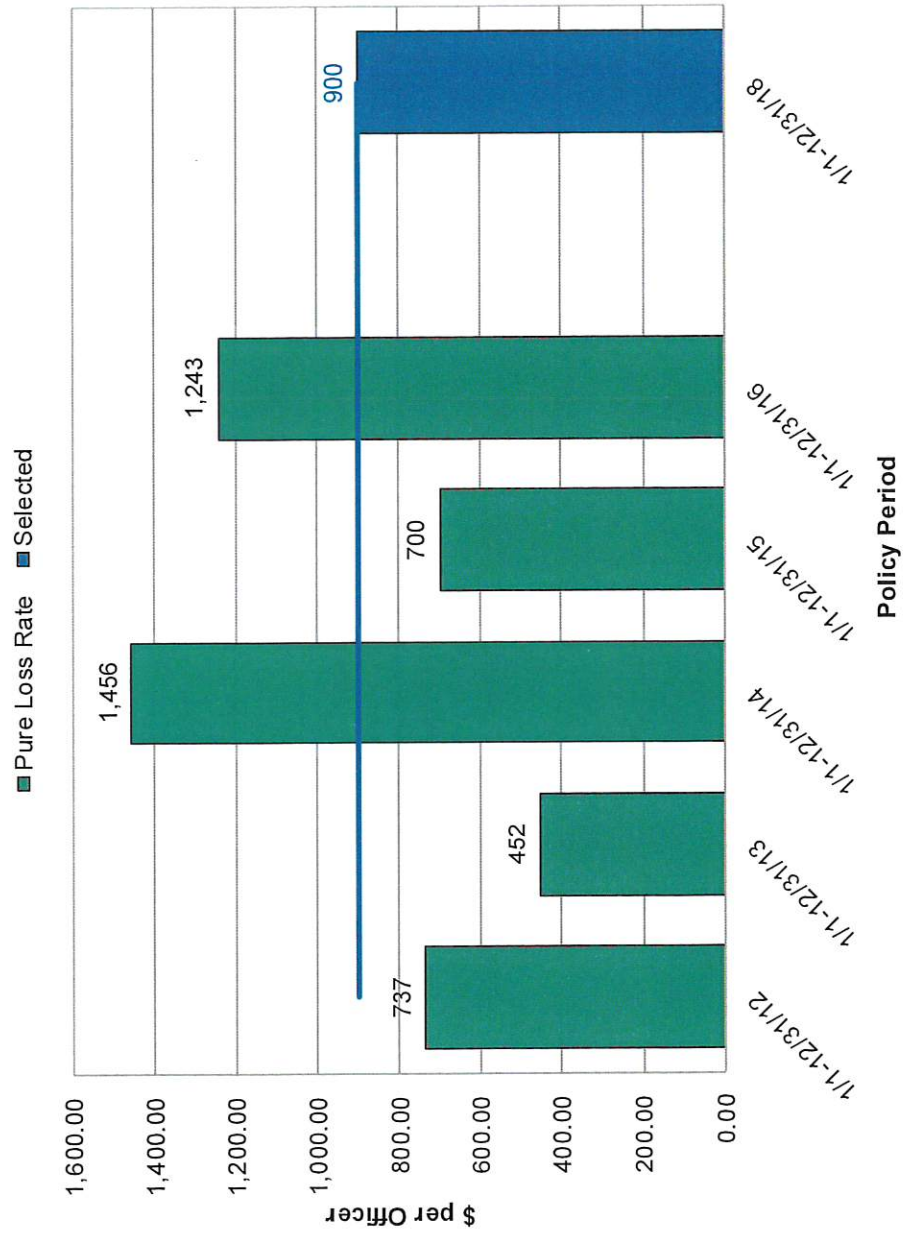
Average \$ 918
 Wtd Average 902
 3 Yr Average 1,133
 5 Yr Wtd Average 893
 Prior* 760
 Selected[^] 900

B. PROJECTED LOSSES

Policy Period	Selected Pure Loss Rate	Projected Number of Officers	Projected Losses
1/1-12/31/18	\$ 900	1,315 #	\$1,180,000

- * 1/1-12/31/17 level.
[^] Selected the weighted average.
 # Provided by UCIP.

LAW ENFORCEMENT INDICATED PURE LOSS RATE FOR 1/1-12/31/18



ERRORS AND OMISSIONS PROJECTED LOSSES

A. PURE LOSS RATES

Policy Period	Adjusted Losses	Number of Employees	Pure Loss Rate per Employee
1/1-12/31/12	\$ 567,340	7,662	\$ 74
1/1-12/31/13	928,033	6,323	147
1/1-12/31/14	278,971	5,456	51
1/1-12/31/15	497,705	5,082	98
1/1-12/31/16	714,256	5,319	134
Total	\$2,986,305	29,842	

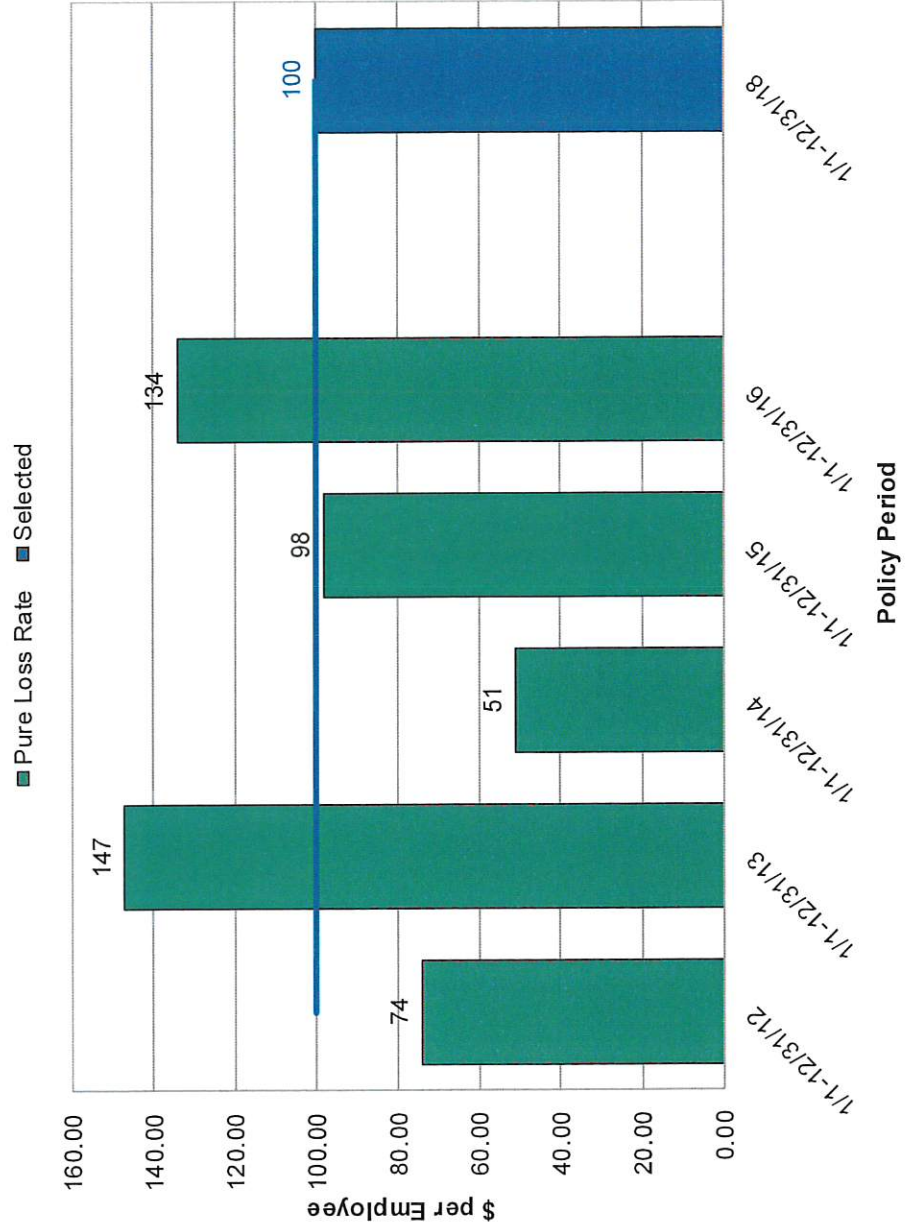
Average \$ 101
 Wtd Average 100
 3 Yr Average 94
 5 Yr Mtd Average 102
 Prior* 110
 Selected^ 100

B. PROJECTED LOSSES

Policy Period	Selected Pure Loss Rate	Projected Number of Employees	Projected Losses
1/1-12/31/18	\$ 100	4,624 #	\$ 460,000

* 1/1-12/31/17 level.
 ^ Selected the weighted average.
 # Provided by UCP.

ERRORS AND OMISSIONS INDICATED PURE LOSS RATE FOR 1/1-12/31/18



GENERAL LIABILITY PROJECTED LOSSES

A. PURE LOSS RATES

Policy Period	Adjusted Losses	Number of Employees	Pure Loss Rate per Employee
1/1-12/31/12	\$1,055,252	7,662	\$ 138
1/1-12/31/13	874,259	6,323	138
1/1-12/31/14	134,415	5,456	25
1/1-12/31/15	572,666	5,082	113
1/1-12/31/16	917,922	5,319	173
Total	\$3,554,514	29,842	

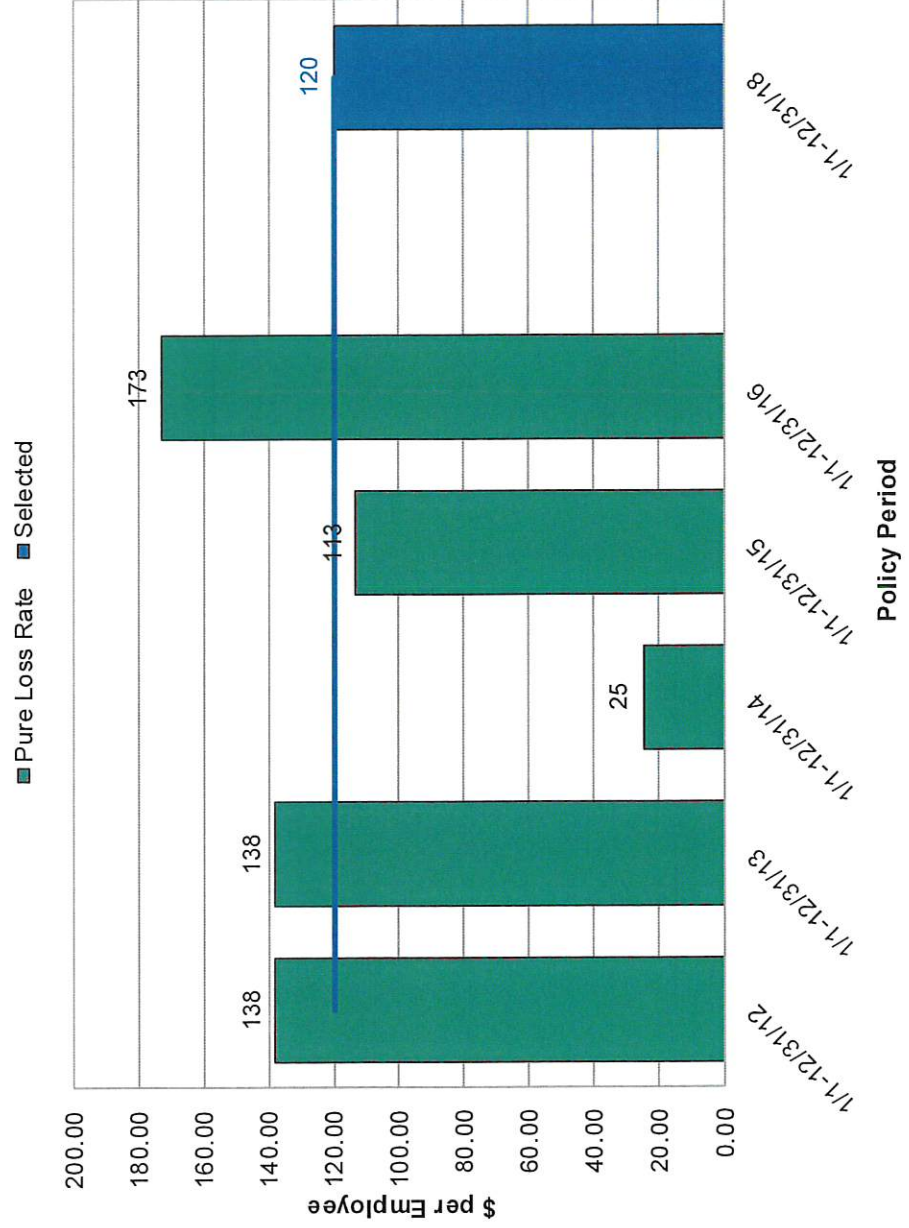
Average \$ 117
 Wtd Average 119
 3 Yr Average 104
 5 Yr Mtd Average 130
 Prior* 100
 Selected^ 120

B. PROJECTED LOSSES

Policy Period	Selected Pure Loss Rate	Projected Number of Employees	Projected Losses
1/1-12/31/18	\$ 120	4,624 #	\$ 550,000

- * 1/1-12/31/17 level.
 ^ Selected the weighted average.
 # Provided by UCIP.

GENERAL LIABILITY INDICATED PURE LOSS RATE FOR 1/1-12/31/18



AUTO LIABILITY PROJECTED LOSSES

A. PURELOSS RATES

Policy Period	Adjusted Losses	Vehicles	Pure Loss Rate per Vehicle
1/1-12/31/12	\$ 175,092	4,202	\$ 42
1/1-12/31/13	478,311	3,503	137
1/1-12/31/14	153,472	3,205	48
1/1-12/31/15	142,943	3,101	46
1/1-12/31/16	238,897	3,164	76
Total	\$1,188,715	17,175	

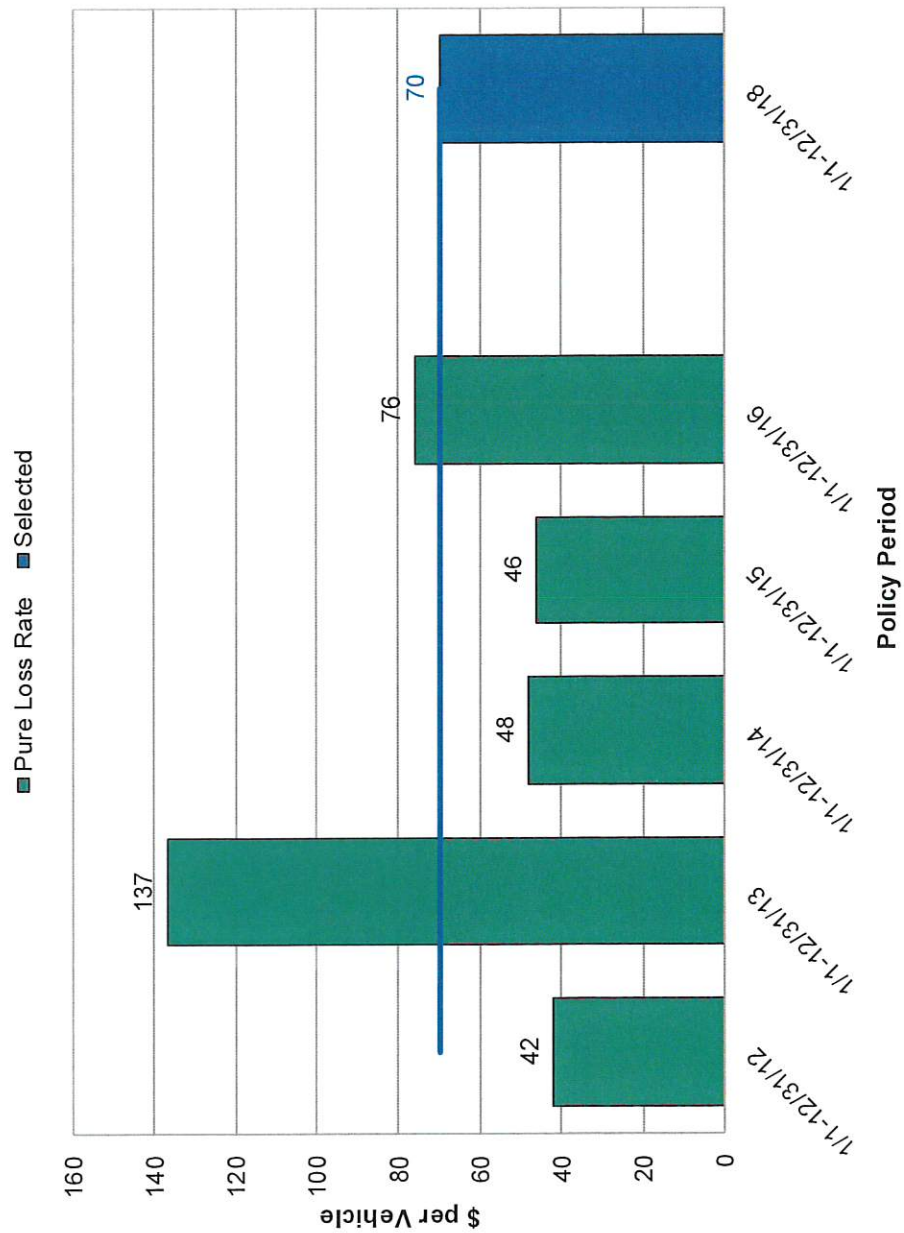
Average \$ 70
 Wtd Average 69
 3 Yr Average 57
 5 Yr Wtd Average 57
 Prior* 70
 Selected[^] 70

B. PROJECTED LOSSES

Policy Period	Selected Pure Loss Rate	Projected Vehicles	Projected Losses
1/1-12/31/18	\$ 70	3,186 #	\$ 220,000

* 1/1-12/31/17 level.
[^] Selected the weighted average.
 # Provided by UCIP.

AUTO LIABILITY INDICATED PURE LOSS RATE FOR 1/1-12/31/18



PROPERTY PROJECTED LOSSES

A. PURE LOSS RATES

Policy Period	Adjusted Losses	Adjusted Insured Value (\$100s)	Pure Loss Rate per \$100 Ins. Value
1/1-12/31/12	\$ 945,038	\$18,628,376	\$0.0507
1/1-12/31/13	582,801	16,051,519	0.0363
1/1-12/31/14	1,273,231	14,567,616	0.0874
1/1-12/31/15	738,780	14,314,574	0.0516
1/1-12/31/16	782,285	14,988,215	0.0522
Total	\$4,322,135	\$78,550,300	

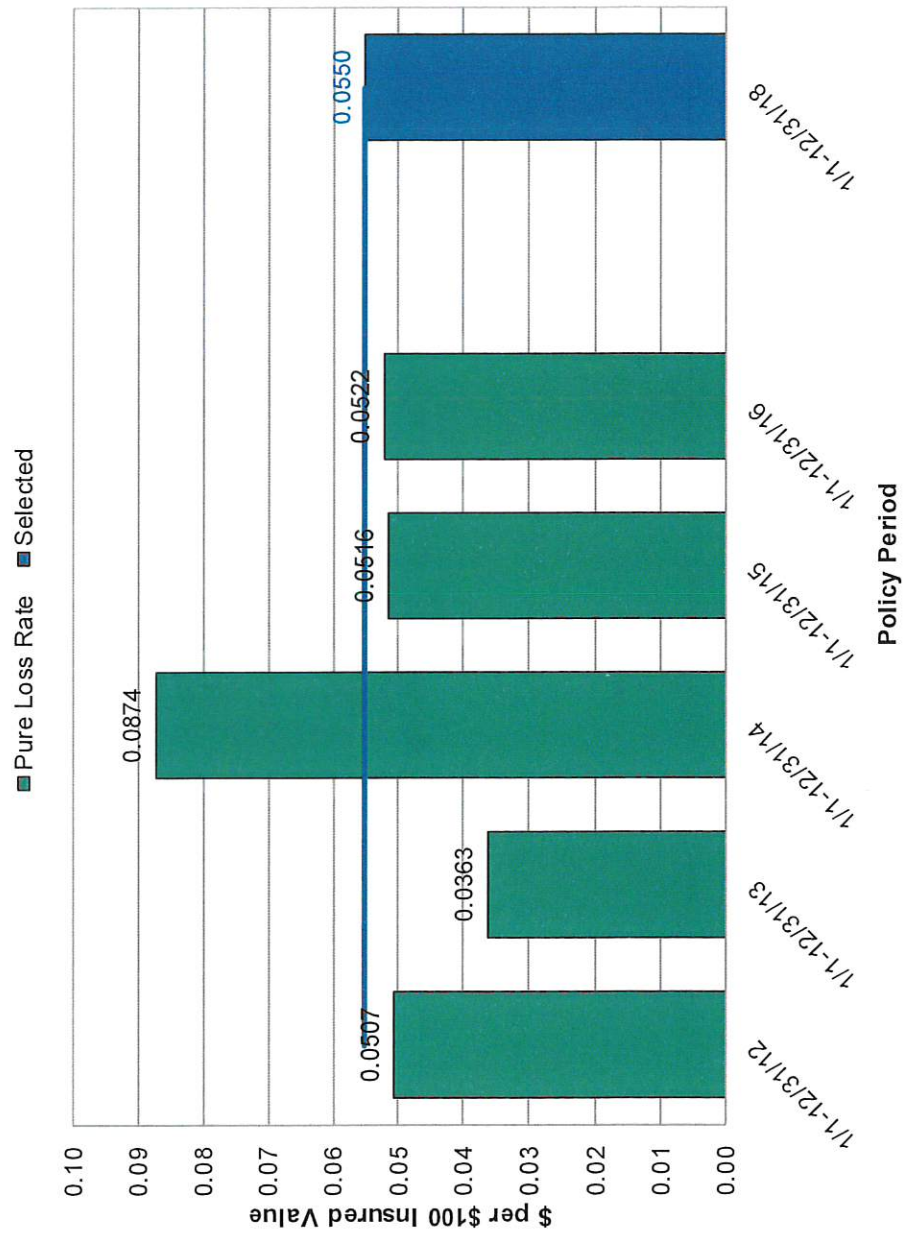
Average \$0.0556
 Wtd Average 0.0550
 3 Yr Average 0.0637
 5 Yr Wtd Average 0.0515
 Prior* 0.0500
 Selected^a 0.0550

B. PROJECTED LOSSES

Policy Period	Selected Pure Loss Rate	Projected Ins. Value (\$100s)	Projected Losses
1/1-12/31/18	\$0.0550	\$18,220,451 #	\$1,000,000

- * 1/1-12/31/17 level.
^a Selected the weighted average.
 # Provided by UCIP including Davis County building and contents.

PROPERTY INDICATED PURE LOSS RATE FOR 1/1-12/31/18



PREMIUM INDICATION

FOR 1/1-12/31/18

	Law Enforcement	Errors and Omissions	General Liability Ex EO and LE	Automobile Liability	Property	Total
A. LOSS PROJECTION*	\$1,180,000	\$ 460,000	\$ 550,000	\$ 220,000	\$1,000,000	\$3,410,000
B. FIXED EXPENSES**	\$ 650,000	\$ 320,000	\$ 330,000	\$ 440,000	\$ 880,000	\$2,620,000
C. INDICATED PREMIUM UNDISCOUNTED A + B	\$1,830,000	\$ 780,000	\$ 880,000	\$ 660,000	\$1,880,000	\$6,030,000
INDICATED PREMIUM RATE	\$1,392	\$169	\$190	\$207	\$0.1032	
PROJECTED EXPOSURE BASE	1,315 Officers	4,624 Employees	4,624 Employees	3,186 Vehicles	\$18,220,451 Ins. Value (\$100s)	
D. CURRENT PREMIUM#	\$1,705,000	\$ 790,000	\$ 645,000	\$ 805,000	\$1,935,000	\$5,880,000
E. UNDISCOUNTED PREMIUM INDICATION C/D - 1	+ 7.3%	- 1.3%	+36.4%	-18.0%	- 2.8%	+ 2.6%
F. LOSS PRESENT VALUE FACTOR##	0.962	0.962	0.962	0.987	0.994	0.973
G. PREMIUM PRESENT VALUE FACTOR^	1.000					
H. INDICATED PREMIUM DISC. AT 1.0% PER ANNUM [A x F + B]/G	\$1,790,000	\$ 760,000	\$ 860,000	\$ 660,000	\$1,870,000	\$5,940,000
INDICATED PREMIUM RATE	\$1,361	\$164	\$186	\$207	\$0.1026	
I. DISC. PREMIUM INDICATION AT 1.0% PER ANNUM H/D - 1	+ 5.0%	- 3.8%	+33.3%	-18.0%	- 3.4%	+ 1.0%

PREMIUM INDICATION BY CONFIDENCE LEVEL

		Confidence Level					
		30%	Expected	70%	80%	90%	95%
A.	LOSS PROJECTION*	\$3,050,000	\$3,410,000	\$3,690,000	\$3,910,000	\$4,230,000	\$4,520,000
B.	FIXED EXPENSES**						
							\$2,620,000
C.	INDICATED UNDISCOUNTED PREMIUM A + B	\$5,670,000	\$6,030,000	\$6,310,000	\$6,530,000	\$6,850,000	\$7,140,000
D.	CURRENT PREMIUM#						\$5,880,000
E	UNDISCOUNTED PREMIUM INDICATION C/D - 1	- 3.6%	+ 2.6%	+ 7.3%	+11.1%	+16.5%	+21.4%
F.	LOSS PRESENT VALUE FACTOR						0.973
G.	PREMIUM PRESENT VALUE FACTOR						1.000
H.	INDICATED PREMIUM DISC. AT 1.0% PER ANNUM [A x F + B]/G	\$5,590,000	\$5,940,000	\$6,210,000	\$6,420,000	\$6,740,000	\$7,020,000
I.	DISC. PREMIUM INDICATION AT 1.0% PER ANNUM H/D - 1	- 4.9%	+ 1.0%	+ 5.6%	+ 9.2%	+14.6%	+19.4%

ESTIMATED EXPENSES FOR 1/1-12/31/18

Expense	Law Enforcement Liability	Errors and Omissions	General Liability Ex EO and LE	Automobile Liability	Property	Total	Percent of Premium
Reinsurance*	\$ 360,000	\$ 210,000	\$ 200,000	\$ 390,000	\$ 490,000	\$1,650,000	28.1%
Other Fixed Expenses*	289,100	112,700	134,700	53,900	393,600	984,000	16.7%
Fixed Expenses	\$ 649,100	\$ 322,700	\$ 334,700	\$ 443,900	\$ 883,600	\$2,634,000	44.8%

* Provided by UCIP. Liability allocation based on projected losses for other fixed expenses.

TENTATIVE CONTRIBUTIONS BASED ON 2018 RATING STRUCTURE

	2017 CONTRIBUTIONS	2018 CONTRIBUTION ADJUSTED	INCREASE/ DECREASE	PERCENT CHANGE PRIOR YEAR	COMBINED LOSS RATIO
Beaver	148,900	161,687	12,787	9%	174.3%
Box Elder	304,092	296,342	-7,750	-3%	87.3%
Daggett	68,256	66,432	-1,824	-3%	78.9%
Davis	744,768	771,842	27,075	4%	87.9%
Duchesne	231,217	241,300	10,083	4%	79.2%
Emery	205,891	194,637	-11,254	-5%	61.2%
Garfield	157,565	143,117	-14,448	-9%	68.3%
Iron	254,855	282,488	27,633	11%	134.5%
Juab	154,571	154,100	-471	0%	76.4%
Kane	190,723	176,325	-14,398	-8%	88.3%
Millard	223,820	230,237	6,417	3%	129.7%
Morgan	83,975	83,136	-840	-1%	289.4%
Piute	28,240	29,261	1,022	4%	54.3%
Rich	52,857	52,328	-529	-1%	93.9%
San Juan	239,016	236,625	-2,390	-1%	149.9%
Sanpete	129,556	141,807	12,251	9%	123.8%
Sevier	209,142	201,478	-7,664	-4%	58.2%
Uintah	412,084	388,463	-23,620	-6%	78.9%
Wasatch	263,257	260,624	-2,633	-1%	251.4%
Washington	469,548	487,910	18,362	4%	123.8%
Wayne	69,652	60,932	-8,720	-13%	63.2%
Weber	974,587	1,042,965	68,379	7%	126.3%
UCIP	7,949	7,949	0	0%	
CHD	31,313	31,313	0	0%	
SEHD	24,906	24,906	0	0%	
SWHD	53,272	53,272	0	0%	
TCHD	25,836	25,836	0	0%	
WHD	16,982	16,982	0	0%	
WMHD	64,243	64,243	0	0%	
WCIA	64,011	64,011	0	0%	
SAJT	1,228	1,228	0	0%	
WHS	48,219	48,219	0	0%	
SCIC	10,838	10,838	0	0%	
CID	1,980	1,980	0	0%	
KRT	1,397	1,397	0	0%	
BERDA	31,274	31,274	0	0%	
FCAOG	35,730	35,730	0	0%	
WCPR	25,619	25,619	0	0%	
WCSSA	7,392	7,392	0	0%	
WCSW	25,120	25,120	0	0%	
WC9	5,976	5,976	0	0%	
TOTAL:	6,099,858	6,187,324			

CONFIDENTIAL. Intended only for the use of the UCIP Board of Trustees and contains information that is confidential, privileged and exempt from disclosure under application law. Disclosure, copying, distribution or use of any of the information contained in this file is strictly PROHIBITED.

Table 34

UTAH COUNTIES INDEMNITY POOL

ALL COVERAGES

PREMIUM INDICATION FOR 1/1-12/31/18 BY COVERAGE

(Gross of Deductible)

	Law Enforcement	Errors and Omissions	General Liability Ex EO and LE	Automobile Liability	Property	Total
A. LOSS PROJECTION*	\$1,180,000	\$ 460,000	\$ 550,000	\$ 220,000	\$1,000,000	\$3,410,000
B. FIXED EXPENSES**	\$ 650,000	\$ 320,000	\$ 330,000	\$ 440,000	\$ 880,000	\$2,620,000
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I. DISC. PREMIUM INDICATION AT 1.0% PER ANNUM H/D - 1	+ 5.0%	- 3.8%	+33.3%	-18.0%	- 3.4%	+ 1.0%

* See Section B of Tables 7, 14, 21, 28, and 33.

** See Appendix B, Exhibit III.

Provided by UCIP.

See Appendix B, Exhibit IV.

^ See Appendix B, Exhibit V.

Utah Property

Policy Period: 7/1/17 - 7/1/18
Excess Reinsurance Limits: Per Policy
CRL Reinsurance: \$1,750,000 excess of
 \$250,000 per occurrence

Reinsurance Panel Premium:	\$186,391
CRL Premium:	\$313,707
Total Property Premium:	\$500,098

Rates Per \$100 in TIV

	Non-Earthquake	Earthquake
Fixed Rate	\$0.026890	\$0.029890
Exposure	\$560,319,732	\$1,169,046,782
Premium	\$150,670	\$349,428

Rates by Layer

First Layer - \$250,000 to \$1,000,000

	GL	POL	LEL	AL	
Fixed Rate	12.8163	15.4864	148.6270	51.3847	Layer Premium
Exposure	5,381	5,381	1,273	3,229	\$508,980

Second Layer - \$1,000,000 to \$2,000,000

	GL	POL	LEL	AL	
Fixed Rate	1.3213	3.3404	18.4416	10.1746	Layer Premium
Exposure	5,381	5,381	1,273	3,229	\$83,550

Third Layer - \$2,000,000 to \$3,000,000

	GL	POL	LEL	AL	
Fixed Rate	1.2552	3.1734	17.5195	9.6659	Layer Premium
Exposure	5,381	5,381	1,273	3,229	\$79,523

Fourth Layer - \$3,000,000 to \$4,000,000

	GL	POL	LEL	AL	
Fixed Rate	2.3036	5.8239	32.1521	17.7391	Layer Premium
Exposure	5,305	5,305	1,273	3,137	\$140,694

Fifth Layer - \$4,000,000 to \$5,000,000

	GL	POL	LEL	AL	
Fixed Rate	2.1884	5.5327	30.5445	16.8521	Layer Premium
Exposure	5,305	5,305	1,273	3,137	\$133,734

*Each layer has a minimum premium per member

	Cyber	
Fixed Rate	3.4800	Total
Exposure	5,381	\$18,726

Additional Coverages

Higher Dam Limits:	\$0
Higher Cyber Limits:	\$11,105
Clash Coverage:	\$29,000
Drone Coverage:	\$6,000
Terrorism Coverage:	\$6,721

Total Premium: \$1,018,033

Ground Up Rates By Layer

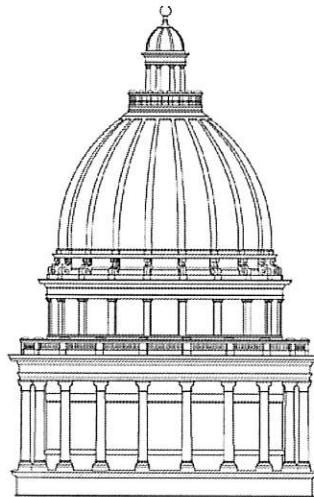
	GL per full time employee	POL per full time employee	LEL per full time officer	AL per licensed vehicle
\$1,000,000 limit less \$250,000	\$12.8163	\$15.4864	\$148.6270	\$51.3847
\$2,000,000 limit less \$250,000	\$14.1376	\$18.8268	\$167.0686	\$61.5593
\$3,000,000 limit less \$250,000	\$15.3928	\$22.0002	\$184.5881	\$71.2252
\$4,000,000 limit less \$250,000	\$17.6964	\$27.8241	\$216.7402	\$88.9643
\$5,000,000 limit less \$250,000	\$19.8848	\$33.3568	\$247.2847	\$105.8164

*Each layer has a minimum premium per member

	Cyber per full time employee
\$1,000,000 limit less \$250,000	\$3.4800

REPORT TO THE
UTAH LEGISLATURE

Number 2017-05



**A Review of
Best Practices for Internal Control
of Limited Purpose Entities**

June 2017

Office of the
LEGISLATIVE AUDITOR GENERAL
State of Utah



STATE OF UTAH

Office of the Legislative Auditor General

315 HOUSE BUILDING • PO BOX 145315 • SALT LAKE CITY, UT 84114-5315
(801) 538-1033 • FAX (801) 538-1063

Audit Subcommittee of the Legislative Management Committee

President Wayne L. Niederhauser, Co-Chair • Speaker Gregory H. Hughes, Co-Chair
Senator Gene Davis • Senator Ralph Okerlund • Representative Brian S. King • Representative Brad R. Wilson

JOHN M. SCHAFF, CIA
AUDITOR GENERAL

June 20, 2017

TO: THE UTAH STATE LEGISLATURE

Transmitted herewith is our report, **A Review of Best Practices for Internal Control of Limited Purpose Entities** (Report #2017-05). A digest is found on the blue pages located at the front of the report. The objectives and scope of the audit are explained in the Introduction.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

John M. Schaff, CIA
Auditor General

JMS/lm

Digest of A Review of Best Practices for Internal Control of Limited Purpose Entities

Many public services, such as sewer, water, and fire protection, are provided by separate government entities or districts that offer just one or two services. In this report, we refer to them as limited purpose entities. They include special service districts, interlocal entities, local districts, and independent entities. In Utah, there are nearly 500 such entities that together collect taxes and fees of roughly \$3.5 billion each year. Because they tend to operate behind the scenes, many limited purpose entities do not receive the same level of public scrutiny as city, county and state government agencies. Also of concern is the somewhat hidden nature of potentially several hundred governmental non-profit organizations that are either sponsored by or closely affiliated with government agencies.

Chapter II Review of 27 Entities Confirms Concerns in Past Reports

In recent years, there has been a growing concern for the frequent reports of fraud, waste and abuse among Utah's local districts, special service districts and other, limited purpose governmental entities. These reports, issued by the Legislative Auditor General and the State Auditor, attribute the misuse of funds to weak management controls and poor board oversight. To determine how widespread the problems might be, we surveyed 27 limited purpose entities from throughout the state and concluded that poor governance and weak oversight are common among these local government entities. Of the 27 entities reviewed, we found:

- 16 had missing or weak internal controls
- 13 had a board or staff, or both lacking the qualifications and training necessary to protect against fraud, waste and abuse
- 17 have an organizational culture that does not support good governance and accountability

Unless improvements are made, we believe many of Utah's limited purpose entities will continue to face a high risk of fraud, waste, abuse and poor management.

Chapter III

Boards Should Adopt and Implement The Best Practices for Internal Control

Due to the recent cases of fraud, waste, abuse and mismanagement, we recommend that each governing board evaluate its organization's internal controls. It is the board that must take charge because they are the ones who are ultimately responsible for the success of their organizations. If they leave it to others to maintain control, they may be putting their organizations at risk. Specifically, we recommend that each board consider the following four key requirements of an effective system of internal control.

- The board, executive director and staff need to understand and perform their unique roles
- Each entity needs to adopt a complete set of internal control procedures
- The board and staff need to be qualified and receive ongoing training
- The board and executive director need to set a proper tone of accountability and ethical behavior

See the attached document for a list of the best practices in each of the above areas.

Chapter IV

Legislature Should Consider the Best Practices for State Oversight of Limited Purpose Entities

To improve the control and accountability of Utah's limited purpose agencies, we suggest the legislature consider adopting the best practices for state oversight of limited purpose entities. Specifically, we suggest the following:

- Create a formal state registry of limited purpose entities
- Withhold funds from local entities that do not comply with all state disclosure laws
- Take steps to dissolve entities that are persistently non-compliant
- Encourage counties to take a larger role in promoting compliance by local entities
- Encourage counties to promote greater public awareness of the limited purpose entities in their areas

Finally, Utah's governmental non-profit corporations should be encouraged to follow the same best practices for internal control that limited purpose entities follow.

The following is a list of the best practices that we developed after consulting national sources, such as the Institute of Internal Auditors, and by observing the internal controls used by local entities that are demonstrating effective governance and control over their organizations.

Checklist of Best Practices for Board Members Of Limited Purpose Entities

Roles of Board and Staff See report pages 23 to 27.	
1. The board takes ultimate responsibility for governance of the entity by (a) appointing an executive staff, (b) providing broad policy guidance, (c) authorizing the use of resources, (d) setting goals and expectations, and (e) monitoring results.	<input type="checkbox"/>
2. The board members recognize their role is to be more than just a ceremonial body. They have a responsibility to lead and hold staff accountable for results.	<input type="checkbox"/>
3. The board chair reviews and approves the agenda before each meeting, inviting other board members to propose additional agenda items, if desired.	<input type="checkbox"/>
4. The executive director (a) helps the board draft a set of internal control policies and (b) guides staff as they carry out the board's policies.	<input type="checkbox"/>
5. To protect against fraud, staff duties are segregated such that no one person has control over all parts of a financial transaction.	<input type="checkbox"/>
6. The board appoints a board chair, a treasurer and a clerk.	<input type="checkbox"/>
7. For organizations with an insufficient number of staff to achieve a proper separation of duties, board members serve as treasurer, and clerk.	<input type="checkbox"/>
8. The board approves a staffing policy that defines the responsibilities of all those who handle different aspects of the entity's finances.	<input type="checkbox"/>
9. The board is solely responsible for hiring and directing the audit function.	<input type="checkbox"/>

Internal Controls See report pages 28 to 33.	
10. The board approves policies that govern the organization and addresses each best practice described in the best practice audit. This would include policies such as a personnel policy, a procurement policy, and records retention policy. A procurement policy is of particular importance with the recent instances of fraud, waste, and abuse that have occurred.	<input type="checkbox"/>
11. The board regularly reviews a report of entity disbursements. The report includes the date, vendor and amount of each expense since the last board meeting.	<input type="checkbox"/>
12. To control credit purchases, purchase cards (or "p-cards") are issued to a limited number of staff. Limits are placed on the dollar amount, type and number of charges made to each card.	<input type="checkbox"/>
13. An independent person with no book keeping responsibilities is assigned to reconcile the bank statement each month with that month's receipts and expenses.	<input type="checkbox"/>
14. The board requires its formal approval of any expenditure above a certain dollar amount.	<input type="checkbox"/>

15. The board requires that two people sign all local entity checks. Before signing, both signers will review and approve the attached requisition sheet.	<input type="checkbox"/>
16. The board verifies that the entity has complied with applicable state laws including: certification and filing of annual budget (Utah Code 17B-1-614), notice of public meetings (Utah Code 52-4), notice of board member contact information (Utah Code 17B-1-303), participation in Utah public finance website (Utah Code 63A-3-405.4), and financial statement reporting requirements (Utah Code 51-2a-202).	

Recruiting Qualified Personnel

Report pages 33 to 37.

17. Staff avoid recruiting individuals to serve as board members.	<input type="checkbox"/>
18. Local entities publicize the opportunity to apply for any elected board seats that will soon be coming available and any vacant staff positions.	<input type="checkbox"/>
19. Local entities follow an open and objective recruiting process when filling staff positions and hiring outside contractors. Hiring relatives or business associates of the board and management is avoided.	<input type="checkbox"/>
20. Board and staff regularly receive the required training in open and public meetings, board governance and other matters applicable to the entity's mission. Training can be obtained online at https://auditor.utah.gov/training/local-district/ , through in-house seminars, and at conferences such as those offered by the Utah Association of Special Districts.	<input type="checkbox"/>
21. When in-house expertise is not available to perform special tasks, the entity hires or appoints qualified outside experts.	<input type="checkbox"/>

Tone at the Top

Report pages 38 to 40.

22. The board adopts a code of ethics that clearly states the organization's values and standards of behavior.	<input type="checkbox"/>
23. The board and management seek opportunities to reinforce the organization's ethical standards during staff meetings, training, and newsletters.	<input type="checkbox"/>
24. The board holds everyone accountable, including management, to high standards of performance.	<input type="checkbox"/>
25. The board and executive director avoid using a compensation system and other incentives that encourage employees to take unnecessary risks.	<input type="checkbox"/>
26. The board provides an ethics hotline and adopts a whistleblower policy.	<input type="checkbox"/>
27. The board adopts a conflict of interest policy (based on Utah Code 10-3-13) describing how members should respond when their personal interests have the potential to conflict with their public duty.	<input type="checkbox"/>

Utah Counties Indemnity Pool Internal Accounting Controls

Original Adoption Date: August 17, 2017

Last Review Date: August 17, 2017

Last Revision Date: August 17, 2017

1. Purpose

The purpose of these policies and procedures is to describe all accounting procedures currently in use at the Utah Counties Indemnity Pool (UCIP) and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; and finances are managed with accuracy, efficiency, and transparency.

All UCIP staff and Board of Trustees, with a role in the management of fiscal and accounting operations, are expected to comply with these policies and procedures.

These policies and procedures will be reviewed annually and revised as needed by the staff, reviewed by the UCIP Audit Committee and approved by the UCIP Board of Trustees.

2. Division of Fiscal and Accounting Responsibilities

Board of Trustees

- Reviews and approves the annual budget
- Reviews the annual and periodic financial statements and information
- Reviews the Chief Executive Officer's performance annually and establishes the salary
- Appoints three members of the Board to be authorized signers on the bank accounts
- Appoints four members of the Board to serve as the Audit Committee
- Reviews and approves all vendor contracts
- Reviews and approves all expenditures and credit card transactions
- Reviews and advises staff on internal controls and accounting policies and procedures
- Reviews and approves the annual independent audit of financial statements
- Reviews and approves policies and procedures including but not limited to: Board Compensation, Board Training, Dividend, GRAMA, Investment, Net Asset Management, Personnel, Purchasing, Travel Reimbursement

Audit Committee

- Reviews with the independent auditor the *Audit Plan* prior to the examination of UCIP's financial statements and adhere to the responsibilities and role of the Committee during the audit
- Reviews the professional standards requirements with the independent auditor upon the completion and issuance of the draft audit
- Reviews the draft audit with the Board of Trustees for compliance and conformity
- Reviews audit findings and management's responses with the Board of Trustees
- Maintains and adheres to the responsibilities outlined in the UCIP Investment Policy
- Designs and implements programs and controls to prevent and detect fraud

Chief Executive Officer

- Reviews and approves all financial reports including cash flow projections
- Sees that an appropriate budget is developed annually
- Reviews and approves all expenditures
- Approves inter-account bank transfers
- Reviews completed monthly bank reconciliations
- Makes bank deposits
- Reviews and approves all contracts and presents them to the Board of Trustees for ratification
- Adheres to the responsibilities outlined in the UCIP Investment Policy
- Oversees the adherence to all internal controls

Chief Financial Officer

- Assists Chief Executive Officer with the development of annual budget
- Monitors budget
- Reviews and manages cash flow

- Manages the petty cash fund
- Reviews and processes payroll and is responsible for all personnel files
- Overall responsibility for data entry into accounting system and integrity of accounting system data
- Reviews all incoming invoices and prepares all outgoing invoices
- Approves and processes all expenditures
- Monitors and manages all expenses to ensure most effective use of assets
- Reviews and approves all reimbursements requests
- Processes all inter-account bank transfers
- Oversees expense allocations including credit card transactions
- Enters accounts receivable for deposit
- Prepares all financial reports
- Reconciles bank statements and investments financials for approval by the Chief Executive Officer
- Adheres to the responsibilities outlined in the UCIP Investment Policy
- Monitors and makes recommendations for asset retirement and replacement
- Reports budget, investments and financial statements to the Utah State Auditor
- Reports revenue and expense quarterly to the Utah Transparency website using the Uniform Chart of Accounts for Local Governments required by the Utah State Auditor's Office
- Reports compensation annually to the Utah Transparency website
- Reviews, revises, and maintains internal accounting controls and procedures

Operations Specialist

- Receives, opens and date stamps all incoming mail
- Logs in all received checks and stamps for deposit only to the operating account
- Enters all claim expenditures into the accounting system

- Maintains all W-9 IRS Taxpayer Identification Number and Certification forms to verify all payees

3. Chart of Accounts and General Ledger

UCIP has adopted the uniform chart of accounts for local governments developed by the Utah State Auditor to collect financial information that can be analyzed and compared across entities. UCIP's chart of accounts is specific to its operational needs and the needs of its financial statements. UCIP reports as a single enterprise fund. Under this method of accounting, revenues are recognized when they are earned and expenses are recognized when they are incurred. The Chief Financial Officer is responsible for maintaining the chart of accounts and revising as necessary.

The general ledger is automated and maintained using UCIP's accounting system. All input and balancing is the responsibility of the Chief Financial Officer with final approval by the Chief Executive Officer.

The Chief Executive Officer reviews the general ledger on a periodic basis for any unusual transactions.

4. Cash Receipts

Cash receipts generally arise from member contributions, subrogation, salvage, training registrations and partner sponsorships.

The principal steps in the cash receipts process are:

The Operations Specialist receives incoming mail, opens, date stamps, and distributes the mail. The Operations Specialist enters all checks into a log, stamps all checks "for deposit only," and delivers the checks to the Chief Financial Officer.

In a timely manner, the Chief Financial Officer enters the checks into the accounting system and a deposit slip is generated. A scanned image of the check(s) is electronically attached to the deposit in the accounting system.

The Chief Financial Officer makes two hard copies of each check, one of which is kept with the deposit slip detail. The Chief Financial Officer delivers the checks and deposit slip to the Chief Executive Officer.

The Chief Executive Officer verifies that the amount of the check and the amount listed on the deposit slip match. Once the amounts are verified, the Chief Executive Officer takes the deposit to UCIP's financial institution and returns the deposit receipt to the Chief Financial Officer to attach to the deposit slip detail and check copy(ies).

All cash received will be counted, verified, and signed off by the Chief Financial Officer and another available staff member. The cash will immediately be posted using the appropriate allocation. A receipt will be given to the paying party and a copy kept for

internal purposes. The cash will be kept in a locked, secure location and deposited, ideally within 24 business hours.

5. Inter-Account Bank Transfers

The Chief Financial Officer monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account. The Chief Financial Officer recommends to the Chief Executive Officer when a transfer should be made to maximize the potential for earning interest. The Chief Financial Officer is directed by the Chief Executive Officer when to make a transfer and in what amount. A copy of the transfer is given to the Chief Executive Officer to sign and the Secretary-Treasurer of the Board to ratify.

6. Cash Disbursements and Expense Allocations

Cash disbursements are generally made for:

- Payments to vendors for goods and services
- Payments to attorneys for defense of claims or gross proceeds
- Payments to claimants or members
- License fees and dues
- Staff training and development
- Memberships and subscriptions
- Risk Management training for members
- Employee reimbursements
- Board mileage
- Marketing/promotional materials

Disbursements for claims are entered into UCIP's accounting system by the Operations Specialist. Disbursements for accounts payable are entered into UCIP's accounting system by the Chief Financial Officer. All disbursements are processed weekly via electronic Automated Clearing House (ACH) or bill pay through UCIP's financial institution by the Chief Financial Officer. A secondary approval for ACH disbursements are made by the Chief Executive Officer through the financial institution. Copies of all disbursements and supporting documentation/invoices are provided to the Chief Executive Officer to approve that the amounts entered and the supporting documentation/invoices match. All documentation is also provided to the Secretary-Treasurer of the Board to approve. All disbursements are provided to the Board to ratify.

Requests for cash disbursements are submitted to the Chief Financial Officer in the following ways:

- Original invoice
- Claim documentation
- Employee expense report or reimbursement request
- Board mileage/expense reimbursement request

Every employee and Board Member expense report or reimbursement request must be documented on the approved form with receipts attached. Employees follow the Reimbursement Policy approved by the Board for lodging, meals and incidentals, mileage and other expenditures.

The Chief Financial Officer reviews all requests for payment and:

- Verifies expenditure and amount
- Approves for payment if in accordance with budget
- Provides or verifies appropriate allocation information
- Provides date of payment taking into account cash flow projections
- Processes the reimbursement in accordance with the cash disbursements controls.
- Files all backup documentation in the appropriate file

7. Credit Card Policy and Charges

All staff members who are authorized to carry an organization credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes: personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations, and the entities from which UCIP receives funds.

The receipts for all credit card charges will be given to the Chief Financial Officer within two weeks of the purchase along with proper documentation. The Chief Financial Officer will verify all credit card charges with the monthly statements and will post the expenses to the proper uniform account and process the payment to the financial institution. The monthly statement and supporting documentation and receipts will be submitted to the Secretary-Treasurer of the Board for approval and presentation to the Board for ratification.

8. Accruals

To ensure a timely close of the General Ledger, UCIP may book accrual entries. Some accruals will be made as recurring entries.

Accruals to consider:

- Monthly interest earned on investments
- Recurring expenses, including employee vacation and sick leave accrual, prepaid expenses, depreciation, etc.

9. Bank Account Reconciliations

- The bank statements are provided electronically from UCIP's financial institution to the Chief Financial Officer
- The Chief Financial Officer timely reconciles the bank statements as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared disbursements with the accounting record including amount, payee, and sequential check numbers
- The Chief Financial Officer will investigate any checks that are outstanding over six months
- The Chief Financial Officer will attach the completed bank reconciliation to the applicable bank statement, along with all documentation including the account transaction report and give it to the Chief Executive Officer to review, approve, date and sign.

10. Petty Cash

Petty cash is maintained by UCIP. The cash is to be used for miscellaneous or unexpected purchases and the same approval procedures apply as mentioned in the cash disbursement section.

- Petty cash will not exceed \$100 and is kept in a locked file at all times
- The Chief Financial Officer oversees petty cash
- Receipts for items purchased with petty cash is kept with the petty cash
- An accounting of all allocations is kept with the petty cash
- The Chief Financial Officer and the Chief Executive Officer together will periodically count the petty cash

- No checks will be cashed by the petty cash fund

11. Property and Equipment

Property and equipment includes items such as:

- Office furniture and equipment
- Computer hardware
- Computer software
- Land

It is the organization's policy to capitalize all items which have a unit cost greater than \$500. Items purchased with a value or cost less than \$500 will be expensed in the period purchased.

Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method of accounting. Useful lives vary from three to five years.

Land is exempt from depreciation.

- A Fixed Asset Log is maintained by the Operations Specialist including date of purchase, asset description, value and identification number
- The Log will be reviewed by the Chief Financial Officer
- Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances
- Depreciation is recorded quarterly

12. Personnel Records

- All personnel files contain the following documents: an application and/or resume, date of employment, position and pay rate, authorization of payroll deductions, W-4 withholding authorization, termination data where applicable, a signed acknowledgement of receipt of the Personnel Policy, an emergency contact form, and other forms as deemed appropriate by the Chief Financial Officer
- All employees will fill out an I-9 form and submit the allowable forms of identification to the Chief Financial Officer
- The completed I-9 forms will be kept in a secure location separate from the personnel files

- All personnel files are to be kept in a secure, locked file cabinet and accessed only by authorized personnel

13. Payroll Processing

- Timesheets are to be prepared by staff on the approved form and submitted on the 15th and the last day of the month.
- Timesheets are to be kept on a daily basis and prepared electronically
- The Chief Financial Officer will process payroll in a timely manner and record vacation time, holiday hours, sick time, and any other information deemed necessary to properly reflect time worked
- Payroll is processed electronically and deposited directly into each employee's personal account on the 15th and the last day of each month. If the 15th or the last day of the month falls on a weekend or holiday, payroll will be processed the Friday before the weekend or the day before the holiday.
- Employees receive a verification stub when payroll is processed
- If the employee requests that his/her check be turned over to a third party, the request must be made in writing prior to distribution
- The Chief Executive Officer will review payroll expenditures and allocations monthly
- All federal and state payroll expenses and reports will be prepared and filed appropriately
- All W-2 statements are issued to employees prior to January 31st of the following year for the prior calendar year

14. End of Month and Fiscal Year-End Close

- The Secretary-Treasurer of the Board will review and sign off on all month- and year-end journal entries. They will be printed and filed for audit trail purposes
- At the end of each quarter and fiscal year end, the Chief Executive Officer will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, fixed assets accounts reflect all purchases, investments, retirements, accounts receivable and payable accounts match outstanding amounts due and owed
- The income and expense accounts review will include reconciliation to amounts received and expended and verification that payroll expenses match the payroll reports including federal and state payroll tax filings

- Once the final quarterly and fiscal year-end financial statements are run, reviewed, and approved by the Chief Financial Officer and the Chief Executive Officer, no more entries or adjustments will be made into that month or year's ledgers
- All other appropriate government filings including those required by the state tax board and attorney general's office will be completed and filed with the appropriate agency

15. Financial Reports

The Chief Financial Officer will prepare the quarterly and annual financial reports for distribution to the Board. The reports will include: balance sheet, statement of income and expenses and cash flow projection.

Quarterly and annual financial reports will be submitted to the Audit Committee and Board for review and approval.

16. Fiscal Policy Statements

- All cash accounts owned by UCIP will be held in financial institutions which are insured by the FDIC. No bank account will carry a balance over the FDIC insured amount
- Employee or public personal checks will not be cashed through the petty cash fund
- No salary advances will be made under any circumstances
- Travel cash advances must be pre-approved by the Chief Executive Officer
- Reimbursements will be paid upon complete expense reporting and approval using the official UCIP form
- The Chief Executive Officer, the Claims Manager, the Chief Financial Officer and three designated Board members are the signatories on UCIP's bank accounts
- Bank statements will be reconciled monthly
- Correction fluid and/or tape will never be used in preparing timesheets or any accounting documents
- Accounting and personnel records will be kept in locked file cabinets in the Chief Financial Officer's office and only the Chief Executive Officer will have access to the keys

Utah Counties Indemnity Pool Trustee Compensation Policy

Original Effective Adoption Date: February 16, 2017

Last Review Date: ~~February 16~~ August 17, 2017

Last Revision Date: ~~February 16~~ August 17, 2017

1. Purpose

This Trustee Compensation Policy outlines the policy of the UCIP Board of Trustees related to compensation received by Trustees for their attendance at meetings of the Board and other UCIP related activities of individual Trustees.

2. Compensation

It is the policy of the UCIP Board of Trustees that membership on the Board is an uncompensated position. Board members shall not be paid for attendance at meetings of the Board of Trustees or for any other UCIP related activities.

3. Reimbursement of Expenses

This policy is not intended to prohibit the reimbursement to Trustees of reasonable expenses related to attendance of meetings of the Board of Trustees and other approved UCIP related activities in accordance with the UCIP ~~Trustee and Employee Travel~~ Reimbursement Policy.

Revision History

Adopted: 02-16-2017

Revised: 08-17-2017

Utah Counties Indemnity Pool Reimbursement Policy

Effective Date: August 18, 2016

Last Review Date: ~~February 16~~ August 17, 2017

Last Revision Date: ~~February 16~~ August 17, 2017

Purpose

This policy defines the ~~travel policy~~ policies for reimbursement of travel and other expenses for UCIP Trustees and employees to assure compliance with rates set in accordance with U.C.A. 63A-3-107 and to assure proper oversight of public funds. It is the intent of the UCIP Board of Trustees for all rates of reimbursement under this policy comply with the maximums set out in Rule R25-7 (see Appendix A) and any reimbursement rate exceeding rates set out in the rules is considered amended to comply with the rule.

PART I - General Policy Provisions

1. Amendment by Change in Statute or Rule

The rates identified in this policy are meant to follow the rates required by U.C.A. 63A-3-107 and rules adopted in accordance with statute, and all rates identified herein are considered amended to comply with such statutes and rules at the effective date of any change to statute or rule.

2. Definitions

“Home” means either the traveler’s actual home, or their office, depending on where they depart from or return to.

“Traveler” means a UCIP Trustee or employee traveling on UCIP business.

“Original receipt” or “original invoice” means a hardcopy receipt or invoice received directly from the vendor at the time of purchase and includes any faxed or scanned receipt/invoice received directly from a vendor.

3. Approval by CEO/CFO

When approval is required by the CEO, and the CEO is the traveler, the approval shall be made by the CFO. When approval is required by the CFO and the CFO is the traveler, the approval shall be made by the CEO.

4. Tax Consequences

The traveler is responsible for any tax consequences associated with this reimbursement policy.

PART II - Transportation Policy

1. Commercial Airlines

(a) Reservations

- i. Reservations (in-state, out-of-state, and foreign travel) should be made through the Chief Financial Officer in an effort to determine the least expensive air fare available at the time reservations are made. Where special and reduced fares are available, they may be secured with approval of the CFO.
- ii. Travelers making their own travel arrangements should consider making reservations far enough in advance and flying during off-peak times of the week to qualify for discount fares, if possible. If a traveler has made alternate travel arrangements, which resulted in a higher cost to UCIP, without the approval of the CFO, the traveler must reimburse UCIP for the additional cost. If a traveler makes their own travel arrangements a copy of the traveler's itinerary must be attached to the Travel Reimbursement Request.
- iii. Travelers may stay at their destination over a weekend if it reduces the total cost of the trip (i.e., the ticket savings is greater than the cost of lodging and per diem.) The traveler does not earn comp time or overtime for the weekend stay. Traveler should be as flexible as possible on flight times and travel days.
- iv. Priority seating charges will not be reimbursed unless preapproved by the CFO. Exceptions will be allowed for unusual circumstances when approved by the CFO or CEO prior to the trip.
- v. Only one change fee per trip will be reimbursed by UCIP. An explanation for any additional changes or any other exception to this policy must be given and approved by the CFO or CEO.
- vi. If a traveler chooses to make a same-day change to a different flight, they may do so without prior approval of the CFO as long as the fee is not more than \$50.
- vii. Travelers will be reimbursed for mileage to and from the airport, or mileage to and from the airport for someone to drop off and pick up the traveler (two trips).

- viii. Travelers will be reimbursed for long-term parking or away-from-the-airport parking. The maximum reimbursement for parking is the long term parking rate at the airport they are flying out of. If the parking reimbursement is \$20.00 or more, the parking receipt must be included with the Travel Reimbursement Request).

(b) Discounts, Credits, and Special Coupons

- i. Personal airline frequent flyer programs and hotel frequent lodging programs, credit card programs and any other programs which give a traveler on UCIP business credit for miles/hours flown, or nights lodged shall be considered the property of the traveler.
- ii. A traveler may utilize such credits while travelling on UCIP business; however the traveler will not be reimbursed for the credits.
- iii. Discounts, credits, miles, special coupons or other benefits earned on a UCIP credit card or bank card as a result of trustee or employee travel shall be considered the property of UCIP and may not be used by trustees or employees for personal use.

2. Private Vehicles

(a) Use of Private Vehicle/Member Owned Vehicle by Trustee

- i. Trustees using a private vehicle for UCIP business travel will be reimbursed at a rate of 54 cents per mile.
- ii. If the Board Member uses a Member owned vehicle for UCIP business travel, the Member will be reimbursed at a rate of 54 cents per mile.
- iii. Only one person in a vehicle may receive the reimbursement, regardless of the number of people in the vehicle.

(b) Use of a Private Vehicle by Employee

- i. Employees who receive an automobile allowance will be reimbursed 38 cents per mile.
- ii. Employees who chose to use a private vehicle when they have the option of riding with an employee who receives an automobile allowance will be reimbursed 38 cents per mile.

- iii. Employees using private vehicles on approved UCIP business when the option of riding with an employee who receives an automobile allowance is not available will be reimbursed 54 cents per mile.
 - iv. When one or more employees are planning to attend the same meeting, travel in private vehicles will be approved only for the number of vehicles sufficient to transport those attending at the discretion of the CEO. Employees who chose to use a private vehicle when they have the option of riding with another employee attending the same meeting will not be reimbursed unless preapproved by the CEO. If use is approved by the CEO the employee will be reimbursed at the rate of 38 cents per mile.
 - v. Only one person in a vehicle may receive the reimbursement, regardless of the number of people in the vehicle.
- (c) Mileage Computation/Parking
- i. Mileage reimbursement will be computed based on the most economical (fastest or shortest) route.
 - ii. Vicinity and/or local travel made during a UCIP business trip should be recorded separately from mileage between points of travel. Personal travel such as to restaurants, movies, etc. is not reimbursable.
 - iii. If the traveler uses a private vehicle on official state business and is reimbursed for mileage, parking charges may be reimbursed at actual cost as an incidental expense.
- (d) Insurance on Private Vehicles
- i. The reimbursement rate includes an amount for the cost of insurance of a personal auto.
 - ii. Physical damage to a traveler's personal auto is the responsibility of that individual or his/her insurance company. However, if the vehicle was being used on approved UCIP business travel at the time of the accident, the traveler may be reimbursed their deductible up to \$500.
 - iii. An automobile liability claim arising during approved UCIP business travel against a traveler is the responsibility of that individual or his/her insurance company. However, if the claim is in excess of the limits carried by the traveler on their personal auto policy, a claim should be filed with UCIP.
- (e) Driving a Private Vehicle Instead of Using Commercial Airline
- i. A traveler may drive a personal vehicle instead of flying if pre-approved by the CEO.

- ii. A traveler may be reimbursed for meals, lodging and incidental expenses (such as toll fees, parking fees, etc.) for a reasonable amount of travel time, however, if the total cost of the trip exceed the equivalent cost of the airline trip the traveler will be reimbursed the amount of the equivalent airline trip only.
- iii. The traveler may be required to submit a schedule comparing the cost of driving with the cost of flying for the CEO to make a determination on approval. The schedule should show that the total cost of the trip driving compared to the total cost of the trip flying. The comparison should show the lowest airfare within 30 days prior to the departure date (15 to 30 day advance reservation), round trip mileage from home base to the airport, airport parking at the current long term parking rate, and the cost of a shuttle, taxi or rental car. If a comparison is requested, it should be attached to the Travel Reimbursement Request.

3. Rental Vehicles

(a) Approval/Reimbursement

- i. Rental car use for UCIP business travel must be preapproved by the CEO.
- ii. If the cost of rental car use including gas charges, insurance and incidental rental charges is less than the equivalent mileage reimbursement for personal vehicle use, the employee will be reimbursed for all such actual rental costs.
- iii. If the cost of a rental car for instate travel exceeds the cost of equivalent mileage reimbursement for personal vehicle use, the employee will be reimbursed the amount of the equivalent personal vehicle use reimbursement only.

(b) Rental Vehicle Procedures

- i. Travelers must rent vehicles to be used for approved UCIP business in their own names.
- ii. As most Utah automobile insurance policies include insurance coverage within the 50 states and the District of Columbia, and UCIP's liability coverage will cover claims in excess of policy limits, travelers should not need to purchase additional liability or physical damage insurance on the rental agreement. Travelers should check with their insurance agent to confirm if their policy covers liability and physical damage to rental vehicles. If the rental company offers Loss of Use insurance, which is not covered by personal insurance or UCIP, that additional insurance should be purchased and will be reimbursed to the traveler. If the traveler choses to buy additional insurance other than Loss of Use insurance for rentals

within the 50 states and the District of Columbia, the traveler will not be reimbursed for such additional insurance. If the travel is outside the 50 states and the District of Columbia, the additional insurance should be purchased and will be reimbursed.

- iii. Liability and physical damage coverages provided by UCIP are for travelers on official UCIP business and necessary associated use only. It will not extend to side trips and other personal use by the traveler. Travelers should be sure their personal insurance will cover the rental vehicle for personal use.
- iv. The traveler will be reimbursed the actual rate charged by the rental agency for a standard mid-sized car. Upgrades in size or model, made when picking up the rental vehicle, will not be reimbursed.
- v. The traveler must have approval for a rental car, as described above, in order to be reimbursed for rental car parking.
- vi. Traveler should not accept the fuel purchase option upon pick up of the rental car unless they are certain they will use enough gas to make that option cost effective. If this option is accepted solely for convenience at a higher cost than returning the vehicle with the same level of fuel as when picked up, the traveler will not be reimbursed. If the fuel purchase option is not used, the traveler will be reimbursed for the actual cost of fuel to return the vehicle with the same level of fuel as when picked up. Employees with UCIP business credit cards may use the card to purchase fuel for rental vehicle.

PART III - Lodging Policy

1. Hotel Lodging

(a) Conference Hotel Lodging

- i. For stays at a conference hotel, traveler will be reimbursed the actual cost plus tax for both in-state and out-of-state travel.
- ii. The traveler should coordinate with the CFO to make reservations, but may make their own reservations for the conference hotel if special accommodations are needed.
- iii. Additional costs for special accommodations and incidental room charges are not reimbursable to the traveler.

(b) Non-Conference Hotel Lodging

- i. For in-state lodging at a non-conference hotel secured by the traveler, UCIP will reimburse the actual cost up to the rate set out in Rule 25-7 per night for single occupancy plus tax and any mandatory fees charged by the hotel, except as noted in the Table .
- ii. For out-of-state lodging at a non-conference hotel booked by the traveler, UCIP will reimburse the actual cost per night plus tax and any mandatory fees charged by the hotel, not to exceed the federal lodging rate for the location (see www.gsa.gov).
- iii. UCIP will reimburse the actual cost per night plus tax and any mandatory fees charged by the hotel, for in-state or out-of-state non-conference travel stays when reservations are booked by the CFO. If lodging is not available at the allowable rate in the area the traveler needs to stay, the CFO will book a hotel with the best available rate. In this circumstance, the traveler will be reimbursed at the actual rate booked plus tax and any mandatory fees charged by the hotel.
- iv. If a traveler chooses to stay at an in-state non-conference hotel other than one booked by the CFO that costs more than the In-State Hotel Rate Table 5 limit, the traveler will only be reimbursed the for the allowable rate plus tax and any mandatory fees charged by the hotel.
- v. If a traveler chooses to stay at an out-of-state non-conference hotel other than one booked by the CFO that costs more than the federal lodging rate for the location (see www.gsa.gov), the traveler will only be reimbursed

the for the allowable rate plus tax and any mandatory fees charged by the hotel.

- vi. Employees traveling less than 50 miles in excess of their normal office commute are not entitled to lodging reimbursement without preapproval of the CEO.
- vii. When UCIP pays for a person from out-of-state to travel to Utah for UCIP business, reimbursement will be made on the same basis as for a trustee or employee.
- viii. Lodging is reimbursed at the rates listed above for single occupancy only. For double traveler occupancy, triple traveler occupancy, and quadruple travel occupancy see rates set out in Rule 25-7.
- ix. Exceptions will be allowed for unusual circumstances when approved by the CEO or CFO prior to the trip.
- x. When lodging is required, travelers should stay at the lodging facility nearest to the meeting/training/work location in order to minimize transportation costs.

(c) Hotel Lodging Receipts

- i. A proper receipt for lodging accommodations must accompany each request for reimbursement.
- ii. A proper receipt is a copy of the registration form generally used by motels and hotels which includes the following information:
 - 1. Name of motel/hotel
 - 2. Street address of motel/hotel
 - 3. Town and state of motel/hotel
 - 4. Telephone number of motel/hotel
 - 5. Current date
 - 6. Name of person or persons staying at the motel/hotel
 - 7. Date(s) of occupancy
 - 8. Amount and date paid
 - 9. Signature of agent
 - 10. Number in the party

11. Occupancy (single, double, triple, or quadruple)
2. Lodging at other than a Motel/Hotel
 - (a) Private Residence
 - i. Travelers that stay with friends or relatives at a private residence rather than a motel/hotel will be reimbursed at the rate per night set out by Rule 25-7 with no receipts required.
 - (b) Camper/Trailer
 - i. Travelers that use personal campers or trailer homes instead of staying in a motel/hotel will be reimbursed at the rate set out by Rule 25-7 per night with no receipts required, or actual cost up to the rate set out by Rule 25-7 per night with a signed receipt from a facility such as a campground or trailer park.

PART IV - Meal Policy

1. Allowance Rates

(a) In-State Travel

- i. The basic meal allowance for a 24-hour period of travel is set out in Rule 25-7.
- ii. The allowance rates include tax, tips, etc. associated with the meals.

(b) Out-of-State Travel

- i. The basic meal allowance for a 24-hour period of travel is set out in Rule 25-7.

(c) Out-of-State Travelers Who Come to Utah

- i. When UCIP pays for an out-of-state person to travel to Utah, the traveler may be reimbursed up to the out-of-state meal per-diem as set out in Rule 25-7.
- ii. Exceptions may be allowed for unusual circumstances when approved by the CEO or CFO prior to the trip.

(d) Tier I Premium Locations

- i. The Tier I Premium Locations are:
 - Anchorage – Anchorage City Limits only
 - Chicago – Includes Cook and Lake Counties
 - Hawaii – Includes the islands of Hilo, Kauai, Maui, Oahu, Lanai, and Molokai
 - New York City – Also includes the Bronx, Kings, Queens, and Richmond Cities
 - San Francisco – Includes San Francisco County
 - Seattle – Includes King County
- ii. For meals in Tier I Locations the traveler may choose to accept the per diem rate for out-of-state travel or to be reimbursed at the actual meal cost, with original receipts, up to \$66 per day.

- iii. The traveler may choose different reimbursement methods during the trip; however, the same method of reimbursement must be used for an entire day.
 - iv. The traveler will qualify for premium location rates on the day travel begins and/or the day travel ends only if the trip is of sufficient duration to qualify for all meals on those days.
 - v. Reimbursement is for the traveler only. If more than the traveler's meal is charged on a receipt, this must be deducted to reflect the traveler's costs only.
 - vi. Actual meal cost includes tax and tip.
 - vii. Alcoholic beverages are not reimbursable.
- (e) Tier II Premium Locations
- i. The Tier II Premium Locations are:
 - Atlanta – Fulton, Dekalb, and Cobb Counties
 - Baltimore – Baltimore City only
 - Boston – Includes Suffolk County and City of Cambridge
 - Dallas – Includes Dallas County
 - Los Angeles – Includes Los Angeles, Orange, and Ventura Counties (except the City of Santa Monica)
 - San Diego – Includes San Diego County
 - Washington, DC – Includes the cities of Alexandria, Falls Church and Fairfax, and the counties of Arlington and Fairfax in Virginia; and the counties of Montgomery and Prince George's in Maryland.
 - ii. The traveler may choose to accept the per diem rate for out-of-state travel or to be reimbursed at the actual meal cost, with original receipts, up to the rate set out in Rule 25-7 per day.
 - iii. The traveler may choose different reimbursement methods during the trip; however, the same method of reimbursement must be used for an entire day.
 - iv. The traveler will qualify for premium location rates on the day travel begin and/or the day travel ends only if the trip is of sufficient duration to qualify for all meals on those days.

- v. Reimbursement is for the traveler only. If more than the traveler's meal is charged on a receipt, this must be deducted to reflect the traveler's costs only.
- vi. Actual meal cost includes tax and tip.
- vii. Alcoholic beverages are not reimbursable.

2. Complimentary Meals

- (a) Complimentary meals of a hotel, motel, and/or association and meals included in the conference registration costs are deducted from the premium location allowance as set out in Rule 25-7.

3. Allowance Computation

(a) The Day Travel Begins

- i. The meal reimbursement the traveler is entitled to is determined by the time of day he leaves his home. (Travelers living on the Wasatch front are allowed one to two hours' time for travel and reporting for boarding prior to the scheduled departure time. Travelers may be required to be at the airport earlier to go through security.) The 24-hour period is divided into four quarters for making the determination (see Table 3, Appendix A)

(b) Days at the Location

- i. The traveler is entitled to the total meal allowance, as described above. This is reduced by any complimentary meals or meals included in function registration costs. (See Complimentary Meals and Meals Included in a Registration Fee in this policy.)

(c) The Day the Travel Ends

- i. The meal reimbursement the traveler is entitled to is determined by the time of day he returns to his home. The 24-hour period is divided into four quarters for making the determination (see Table 4, Appendix A)

(d) Tips and Tax on Meals

- i. Tips and tax on meals are included in the per diem amount.

(e) Allowances for Non-Overnight Trips

- i. Under the following conditions an employee may be authorized by the CEO to receive a taxable* meal allowance when their destination is at least 100 miles from their home and they do not stay overnight.

- ii. Breakfast – When the individual leaves their home base before 6:00 a.m.
- iii. Lunch – When the trip meets one of the following conditions:
 - 1. The trip is of such duration as to warrant entitlement to breakfast and dinner.
 - 2. The traveler leaves their home base before 10:00 a.m. and returns after 2:00 p.m.
 - 3. The CEO provides approval based on unusual circumstances.
- iv. Dinner – When the individual returns after 5:59 p.m.
- v. A meal allowance shall not be claimed or authorized for any complimentary meal(s) received by the employee.

*Required by IRS regulations for travel without overnight lodging.

(f) Complimentary Meals

- i. Complimentary meals of a hotel, motel, and/or association, and meals included in the registration cost are deducted from the total daily meal allowance.
- ii. Meals provided on airlines will not reduce the meal allowance.
- iii. Continental breakfasts will not reduce the meal allowance. Please Note: For breakfast, if a hot food item is offered, it is considered a complimentary meal, no matter how it is categorized by the hotel/conference facility. The meal is considered a “continental breakfast” if no hot food items are offered.

(g) Meals Included in a Registration Fee

- i. The value of meals included in the registration for a function will be deducted according to the allowances listed above.
- ii. Continental breakfasts will not reduce the meal allowance.

(h) Foreign Countries

- i. The traveler may choose to accept the per diem rate for out-of-state travel or to be reimbursed the actual meal cost, with original receipts, not to exceed the United States Department of State Meal and Incidental (M&IE) rate for their location.

- ii. The traveler may combine reimbursement methods during a trip; however, he/she must use the same method of reimbursement for an entire day.
- iii. Reimbursement is for the traveler only.
- iv. If more than the traveler's meal is charged on a receipt, this must be deducted to reflect the traveler's costs only.
- v. Actual meal cost includes tax and tip.
- vi. Alcoholic beverages are not reimbursable.

PART V - Incidental Expense Policy

1. Reimbursable Incidental Expenses

(a) Gratuities/Tips

- i. Gratuities/Tips for various services such as assistance with baggage, maid service and bellman may be reimbursed up to an amount set out in Rule 25-7.
- ii. Allowances for meal reimbursements are inclusive of tax and tips and should not be reimbursed as incidental expenses.

(b) Ground Transportation

- i. Ground transportation expense for all official business use of taxi, bus, and other ground transportation will be reimbursed at actual cost.
- ii. Ground transportation for non-UCIP business use is not reimbursable.

(c) Parking Expense

- i. If the traveler uses a private vehicle or rental vehicle on official UCIP business and is reimbursed for mileage, parking charges may be reimbursed as an incidental expense.
- ii. Airport parking reimbursement is limited to the long-term parking rate at the airport the traveler is departing from.
- iii. Hotel parking will be reimbursed as an incidental expense if it is not included on the hotel bill, in which case it will be reimbursed as lodging expense.

(d) Registration

- i. Registration fees for conferences or courses should be paid in advance by the CFO.
- ii. If the traveler must pay the registration when they arrive, the traveler may use a UCIP business credit card if one is issued to them, or may be reimbursed the registration as an incidental expense.

(e) Laundry

- i. Actual laundry expenses up to \$18 per week will be allowed for trips in excess of six consecutive nights, beginning after the sixth night out.

(f) Miscellaneous

- i. An amount set out in Rule 25-7 will be allowed for travelers away in excess of six consecutive nights, beginning after the sixth night out. This amount is intended to cover other miscellaneous incidentals not included in this policy.
- ii. This allowance is not available for travelers attending conferences.

2. Documentation for Incidental Expenses

(a) Receipts

- i. Original receipts should be provided whenever possible.
- ii. A completed Expense Report signed by the traveler in lieu of original receipt is acceptable for documenting expenses of \$20 or less.
- iii. Reimbursement of individual incidental expenses of more than \$20 without an original receipt must be approved by the CEO.

PART VI - Reimbursement Procedure

1. Reimbursement from UCIP

(a) Expense Reimbursement Request

- i. Travelers must submit a UCIP Expense Statement to receive reimbursement from UCIP under this policy.
- ii. The form must have the traveler's original signature verifying the expenditures.

(b) Receipts

- i. Original receipts should be provided with the Expense Statement whenever possible.
- ii. A completed Expense Statement signed by the traveler in lieu of original receipt is acceptable for documenting expenses of \$20 or less.
- iii. Reimbursement of individual expenses of more than \$20 without an original receipt must be approved by the CEO.

(c) Reimbursement Approval

- i. With the exception of the CFO, all travel expense vouchers must be approved by the CFO.
- ii. If the traveler is the CFO, he/she should sign as the traveler but have the CEO sign for approval.

2. Reimbursement by a Third Party

(a) Third Party Reimbursement to UCIP

- i. If a third party will reimburse travel related expenses of an employee that travels on UCIP time or for UCIP business, the traveler may seek reimbursement from UCIP and assist with UCIP's reimbursement by the third party.
- ii. This option should be used if the third party reimbursement is less than what would be allowed by this policy.
- iii. Employee should submit a UCIP Expense Statement in accordance with section 1.A. above for reimbursement from UCIP.
- iv. Employee must provide UCIP all documentation required by the third party for reimbursement.

(b) Third Party Reimbursement Directly to Employee

- i. If a third party will reimburse the travel related expenses of an employee that travels on UCIP time or for UCIP business, the employee may seek direct reimbursement from the third party.
- ii. If the employee is reimbursed directly from the third party, documentation of such reimbursement must be provided to the CFO to assure there has been no duplication of reimbursement, and to retain for tax audit purposes.
- iii. In these instances, the maximum that the employee may be reimbursed for meals without tax consequence is the federal meal and incidental per diem rate (M&IE) for their travel destination.
- iv. If the amount reimbursed by the third party is greater than allowed by this policy, the difference should be returned to the third party by the employee. If retained by the employee, the amount in excess of this policy must be included in the taxable income on the W-2 of the employee.

(c) Third Party Reimbursement to Employee When UCIP has Reimbursed Expenses

- i. If an employee receives reimbursement from a third party for expenses that have been reimbursed by UCIP under this policy, the employee must deposit the total third party reimbursement with the CFO as a refund of expenditure.

(d) Exceptions to Reimbursement Policy

- i. If unique circumstances may prevent a traveler or from following this policy, a request for an exception may be made to the CEO.

PART VII - Advances Policy

1. Advance Reimbursement of Expected Expenses

(a) Meal & Incidental Per Diem Advances

- i. Advances for meals and incidentals are available at the discretion of the CFO.
- ii. If the traveler has changes to their travel and are not eligible for reimbursement in the amount of the advance, the amount in excess of the advance will be deducted from other reimbursable expenses submitted for the trip, or on future Expense Statements at the discretion of the CFO.

(b) Exceptions

- i. Any exception to this policy must be approved in writing by the executive director or designee.
- ii. If an advance has been made which was in excess of the actual expense, and the excess amount may not be recoverable for any reason, the CFO shall notify the Board of Trustees at their next meeting of such circumstance.

Revision History

Adopted: August 18, 2016

Revised: February 16, 2017

Revised: August 18, 2016

APPENDIX A

Utah Office of Administrative Rules

R25. Administrative Services, Finance.

R25-7. Travel-Related Reimbursements for State Employees.

R25-7-1. Purpose.

The purpose of this rule is to establish procedures to be followed by departments to pay travel-related reimbursements to state employees.

R25-7-2. Authority and Exemptions.

This rule is established pursuant to:

- (1) Section 63A-3-107, which authorizes the Division of Finance to make rules governing in-state and out-of-state travel expenses; and
- (2) Section 63A-3-106, which authorizes the Division of Finance to make rules governing meeting per diem and travel expenses for board members attending official meetings.

R25-7-3. Definitions.

- (1) "Agency" means any department, division, commission, council, board, bureau, committee, office, or other administrative subunit of state government.
- (2) "Board" means a board, commission, council, committee, task force, or similar body established to perform a governmental function.
- (3) "Department" means all executive departments of state government.
- (4) "Finance" means the Division of Finance.
- (5) "Home-Base" means the location the employee leaves from and/or returns to.
- (6) "Per diem" means an allowance paid daily.
- (7) "Policy" means the policies and procedures of the Division of Finance, as published in the "Accounting Policies and Procedures."
- (8) "Rate" means an amount of money.
- (9) "Reimbursement" means money paid to compensate an employee for money spent.
- (10) "State employee" means any person who is paid on the state payroll system.

R25-7-4. Eligible Expenses.

- (1) Reimbursements are intended to cover all normal areas of expense.
- (2) Requests for reimbursement must be accompanied by original receipts for all expenses except those for which flat allowance amounts are established.

R25-7-5. Approvals.

- (1) For insurance purposes, all state business travel, whether reimbursed by the state or not, must have prior approval by an appropriate authority. This also includes non-state employees where the state is paying for the travel expenses.
- (2) Both in-state and out-of-state travel must be approved by the Executive Director or designee. The approval of in-state travel reimbursement forms may be considered as documentation of prior approval for in-state travel. Prior approval for out-of-state travel should be documented on

form FI5 - "Request for Out-of-State Travel Authorization".

(3) Exceptions to the prior approval for out-of-state travel must be justified in the comments section of the Request for Out-of-State Travel Authorization, form FI 5, or on an attachment, and must be approved by the Department Director or the designee.

(4) The Department Director, the Executive Director, or the designee must approve all travel to out-of-state functions where more than two employees from the same department are attending the same function at the same time.

R25-7-6. Reimbursement for Meals.

(1) State employees who travel on state business may be eligible for a meal reimbursement.

(2) The reimbursement will include tax, tips, and other expenses associated with the meal.

(3) Allowances for in-state travel differ from those for out-of-state travel.

(a) The daily travel meal allowance for in-state travel is \$41.00 and is computed according to the rates listed in the following table.

TABLE 1

In-State Travel Meal Allowances

Meals	Rate
Breakfast	\$10.00
Lunch	\$14.00
Dinner	\$17.00
Total	\$41.00

(b) The daily travel meal allowance for out-of-state travel is \$46.00 and is computed according to the rates listed in the following table.

TABLE 2

Out-of-State Travel Meal Allowances

Meals	Rate
Breakfast	\$10.00
Lunch	\$14.00
Dinner	\$22.00
Total	\$46.00

(4) When traveling to a Tier I premium location (Anchorage, Chicago, Hawaii, New York City, San Francisco, and Seattle), the traveler may choose to accept the per diem rate for out-of-state travel or to be reimbursed at the actual meal cost, with original receipts, up to \$66 per day.

When traveling to a Tier II premium location (Atlanta, Baltimore, Boston, Dallas, Los Angeles, San Diego, and Washington, DC), the traveler may choose to accept the per diem rate for out-of-state travel or to be reimbursed at the actual meal cost, with original receipts, up to \$57 per

day.

(a) The traveler will qualify for premium rates on the day the travel begins and/or the day the travel ends only if the trip is of sufficient duration to qualify for all meals on that day.

(b) Complimentary meals of a hotel, motel and/or association and meals included in registration costs are deducted from the premium location allowance as follows:

Tier I Location

(i) If breakfast is provided deduct \$15, leaving a premium allowance for lunch and dinner of actual up to \$51.

(ii) If lunch is provided deduct \$20, leaving a premium allowance for breakfast and dinner of actual up to \$46.

(iii) If dinner is provided deduct \$31, leaving a premium allowance for breakfast and lunch of actual up to \$35.

Tier II Location

(i) If breakfast is provided deduct \$13, leaving a premium allowance for lunch and dinner of actual up to \$44.

(ii) If lunch is provided deduct \$17, leaving a premium allowance for breakfast and dinner of actual up to \$40.

(iii) If dinner is provided deduct \$27, leaving a premium allowance for breakfast and lunch of actual up to \$30.

(c) The traveler must use the same method of reimbursement for an entire day.

(d) Actual meal cost includes tips.

(e) Alcoholic beverages are not reimbursable.

(5) When traveling in foreign countries, the traveler may choose to accept the per diem rate for out-of-state travel or to be reimbursed the actual meal cost, with original receipts, not to exceed the United States Department of State Meal and Incidental Expenses (M and IE) rate for their location.

(a) The traveler may combine the reimbursement methods during a trip; however, they must use the same method of reimbursement for an entire day.

(b) Actual meal cost includes tips.

(c) Alcoholic beverages are not reimbursable.

(6) The meal reimbursement calculation is comprised of three parts:

(a) The day the travel begins. The traveler's entitlement is determined by the time of day the traveler leaves their home base (the location the employee leaves from and/or returns to), as illustrated in the following table.

TABLE 3

The Day Travel Begins

1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
a.m.	a.m.	p.m.	p.m.
12:00-5:59	6:00-11:59	12:00-5:59	6:00-11:59
*B, L, D	*L, D	*D	*no meals
In-State			
\$41.00	\$31.00	\$17.00	\$0
Out-of-State			

\$46.00 \$36.00 \$22.00 \$0

*B = Breakfast, L = Lunch, D = Dinner

(b) The days at the location.

(i) Complimentary meals of a hotel, motel, and/or association and meals included in the registration cost are deducted from the total daily meal allowance. However, continental breakfasts will not reduce the meal allowance. Please Note: For breakfast, if a hot food item is offered, it is considered a complimentary meal, no matter how it is categorized by the hotel/conference facility. The meal is considered a "continental breakfast" if no hot food items are offered.

(ii) Meals provided on airlines will not reduce the meal allowance.

(c) The day the travel ends. The meal reimbursement the traveler is entitled to is determined by the time of day the traveler returns to their home base, as illustrated in the following table.

TABLE 4

The Day Travel Ends

1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
a.m.	a.m.	p.m.	p.m.
12:00-5:59	6:00-11:59	12:00-5:59	6:00-11:59
*no meals	*B	*B, L	*B, L, D
In-State			
\$0	\$10.00	\$24.00	\$41.00
Out-of-State			
\$0	\$10.00	\$24.00	\$46.00

*B = Breakfast, L = Lunch, D = Dinner

(7) An employee may be authorized by the Department Director or designee to receive a taxable meal allowance when the employee's destination is at least 100 miles from their home base and the employee does not stay overnight.

(a) Breakfast is paid when the employee leaves their home base before 6:00 a.m.

(b) Lunch is paid when the trip meets one of the following requirements:

(i) The employee is on an officially approved trip that warrants entitlement to breakfast and dinner.

(ii) The employee leaves their home base before 10 a.m. and returns after 2 p.m.

(iii) The Department Director provides prior written approval based on circumstances.

(c) Dinner is paid when the employee leaves their home base and returns at 6 p.m. or later.

(d) The allowance is not considered an absolute right of the employee and is authorized at the discretion of the Department Director or designee.

R25-7-7. Meals for Statutory Non-Salaried State Boards.

(1) When a board meets and conducts business activities during mealtime, the cost of meals may be charged as public expense.

(2) Where salaried employees of the State of Utah or other advisors or consultants must, of necessity, attend such a meeting in order to permit the board to carry on its business, the meals of

such employees, advisors, or consultants may also be paid. In determining whether or not the presence of such employees, advisors, or consultants is necessary, the boards are requested to restrict the attendance of such employees, advisors, or consultants to those absolutely necessary at such mealtime meetings.

R25-7-8. Reimbursement for Lodging.

State employees who travel on state business may be eligible for a lodging reimbursement.

(1) For stays at a conference hotel, the state will reimburse the actual cost plus tax and any mandatory fees charged by the hotel for both in-state and out-of-state travel. The traveler must include the conference registration brochure with the Travel Reimbursement Request, form FI 51A or FI 51B.

(2) For in-state lodging at a non-conference hotel, the state will reimburse the actual cost up to \$70 per night for single occupancy plus tax and any mandatory fees charged by the hotel except as noted in the table below:

TABLE 5

Cities with Differing Rates

Beaver	\$75.00 plus tax and mandatory fees
Blanding	\$75.00 plus tax and mandatory fees
Bluff	\$90.00 plus tax and mandatory fees
Brigham City	\$80.00 plus tax and mandatory fees
Bryce Canyon City	\$75.00 plus tax and mandatory fees
Cedar City	\$80.00 plus tax and mandatory fees
Duchesne	\$80.00 plus tax and mandatory fees
Ephraim	\$75.00 plus tax and mandatory fees
Farmington	\$85.00 plus tax and mandatory fees
Fillmore	\$75.00 plus tax and mandatory fees
Garden City	\$80.00 plus tax and mandatory fees
Green River	\$85.00 plus tax and mandatory fees
Heber	\$85.00 plus tax and mandatory fees
Kanab	\$85.00 plus tax

Layton	and mandatory fees \$85.00 plus tax	
Logan	and mandatory fees \$85.00 plus tax	
Moab	and mandatory fees \$100.00 plus tax	
Monticello	and mandatory fees \$80.00 plus tax	
Ogden	and mandatory fees \$85.00 plus tax	
Park City/Midway	and mandatory fees \$100.00 plus tax	
Price	and mandatory fees \$75.00 plus tax	
Provo/Orem/Lehi/American Fork/ Springville	and mandatory fees \$85.00 plus tax	
Roosevelt/Ballard	and mandatory fees \$90.00 plus tax	
Salt Lake City Metropolitan Area (Draper to Centerville), Tooele	and mandatory fees \$100.00 plus tax	
St. George/Washington/Springdale/Hurricane	and mandatory fees	\$85.00 plus tax
Torrey	and mandatory fees \$85.00 plus tax	
Tremonton	and mandatory fees \$90.00 plus tax	
Vernal	and mandatory fees \$95.00 plus tax	
All Other Utah Cities	and mandatory fees \$70.00 plus tax	

(3) State employees traveling less than 50 miles from their home base are not entitled to lodging reimbursement. Miles are calculated from either the departure home-base or from the destination to the traveler's home-base. The traveler may leave from one home-base and return to a different home-base. For example, if the traveler leaves from their residence, then the home-base for departure calculations is their residence. If the traveler returns to where they normally work (ie. Cannon Health Building), then the home-base for arrival calculations is the Cannon Health Building.

(a) In some cases, agencies must use judgement to determine a traveler's home-base. The following are some things to consider when determining a traveler's home-base.

(i) Is the destination less than 50 miles from the traveler's home or normal work location? If the destination is less than 50 miles from either the traveler's home or from their normal work location, then generally the employee should not be reimbursed for lodging.

(ii) Is there a valid business reason for the traveler to go to the office (or to some other location) before driving to the destination?

(iii) Is the traveler required to work at the destination the next day?

(iv) Is the traveler going directly home after the trip, or is there a valid business reason for the traveler to first go to the office (or to some other location)?

(v) Even if "it is not specifically against policy", would the lodging be considered necessary, reasonable and in the best interest of the State?

(4) When the State of Utah pays for a person from out-of-state to travel to Utah, the in-state lodging per diem rates will apply.

(5) For out-of-state travel stays at a non-conference hotel, the state will reimburse the actual cost per night plus tax and any mandatory fees charged by the hotel, not to exceed the federal lodging rate for the location. These reservations must be made through the State Travel Office.

(6) The state will reimburse the actual cost per night plus tax and any mandatory fees charged by the hotel for in-state or out-of-state travel stays where the department/traveler makes reservations through the State Travel Office.

If lodging is not available at the allowable per diem rate in the area the employee needs to stay, the State Travel Office will book a hotel with the best available rate. In this circumstance, the employee will be reimbursed at the actual rate booked.

If an employee chooses to stay at a hotel that costs more than the allowable per diem rate, the employee will only be reimbursed for the allowable per diem rate plus tax and any mandatory fees charged by the hotel. These instances will be audited 100% by the State Finance Post-Auditors.

(7) Lodging is reimbursed at the rates listed in Table 5 for single occupancy only. For double state employee occupancy, add \$20, for triple state employee occupancy, add \$40, for quadruple state employee occupancy, add \$60.

(8) Exceptions will be allowed for unusual circumstances when approved in writing by the Department Director or designee prior to the trip.

(a) For out-of-state travel, the approval may be on the form FI 5.

(b) Attach the written approval to the Travel Reimbursement Request, form FI 51B or FI 51D.

(9) A proper receipt for lodging accommodations must accompany each request for reimbursement.

A proper receipt is a copy of the registration form generally used by motels and hotels which includes the following information: name of motel/hotel, street address, town and state, telephone number, current date, name of person/persons staying at the motel/hotel, date(s) of occupancy, amount and date paid, signature of agent, number in the party, and (single, double, triple, or quadruple occupancy).

(10) When lodging is required, travelers should stay at the lodging facility nearest to the meeting/training/work location where state lodging per diem rates are accepted in order to minimize transportation costs.

(11) Travelers may also elect to stay with friends or relatives or use their personal campers or trailer homes instead of staying in a hotel.

(a) With proof of staying overnight away from home on approved state business, the traveler will be reimbursed the following:

(i) \$25 per night with no receipts required or

(ii) Actual cost up to \$40 per night with a signed receipt from a facility such as a

campground or trailer park, not from a private residence.

(12) Travelers who are on assignment away from their home base for longer than 90 days will be reimbursed as follows:

- (a) First 30 days - follow regular rules for lodging and meals. Lodging receipt is required.
- (b) After 30 days - \$46 per day for lodging and meals. No receipt is required.

R25-7-9. Reimbursement for Incidentals.

State employees who travel on state business may be eligible for a reimbursement for incidental expenses.

(1) Travelers will be reimbursed for actual out-of-pocket costs for incidental items such as baggage tips, transportation costs, maid service, and bellman. Gratuities/tips for various services such as assistance with baggage, maid service, and bellman, may be reimbursed up to a combined maximum of \$5.00 per day.

- (a) Tips for doormen and meals are not reimbursable.
- (b) No other gratuities will be reimbursed.
- (c) Include an original receipt for each individual incidental item above \$19.99.

(2) The state will reimburse incidental ground transportation and parking expenses.

(a) Travelers shall document all official business use of taxi, bus, parking, and other ground transportation including dates, destinations, parking locations, receipts, and amounts.

(b) Personal use of such transportation to restaurants is not reimbursable.

(c) The maximum that airport parking will be reimbursed is the economy lot parking rate at the airport they are flying out of. A receipt is required for amounts of \$20 or more.

(3) Registration should be paid in advance on a state warrant, with a state purchase card, or with a state travel card.

(a) A copy of the approved FI 5 form must be included with the Payment Voucher for out-of-state registrations.

(b) If a traveler must pay the registration when they arrive, the agency is expected to process a Payment Voucher and have the traveler take the state warrant with them.

(4) Telephone calls related to state business are reimbursed at the actual cost.

(a) The traveler shall list the amount of these calls separately on the Travel Reimbursement Request, form FI 51A or FI 51B.

(b) The traveler must provide an original lodging receipt or original personal phone bill showing the phone number called and the dollar amount for business telephone calls and personal telephone calls.

(5) Allowances for personal telephone calls made while out of town on state business overnight may be based on the number of nights away from home. The traveler must provide an original lodging receipt or original personal phone bill showing the phone number called and the dollar amount for personal telephone calls.

(a) Four nights or less - actual amount up to \$2.50 per night.

(b) Five to eleven nights - actual amount up to \$20.00

(c) Twelve nights to thirty nights - actual amount up to \$30.00

(d) More than thirty days - start over

(6) Actual laundry expenses up to \$18.00 per week will be allowed for trips in excess of six consecutive nights, beginning after the sixth night out.

(a) The traveler must provide receipts for the laundry expense.

(b) For use of coin-operated laundry facilities, the traveler must provide a list of dates,

locations, and amounts.

(7) An amount of \$5 per day will be allowed for travelers away in excess of six consecutive nights beginning after the sixth night out.

(a) This amount covers miscellaneous incidentals not covered in this rule.

(b) This allowance is not available for travelers going to conferences.

(8) Travel on a Weekend during Trips of More Than 10 Nights' Duration - A department may provide for employees to return home on a weekend when a trip extends longer than ten nights. Reimbursements may be given for costs allowed by these policies.

R25-7-10. Reimbursement for Transportation.

State employees who travel on state business may be eligible for a transportation reimbursement.

(1) Air transportation is limited to Air Coach or Excursion class. Priority seating charges will not be reimbursed unless preapproved by the department director or designee.

(a) All reservations (in-state and out-of-state) should be made through the State Travel Office for the least expensive air fare available at the time reservations are made.

(b) Only one change fee per trip will be reimbursed.

(c) The explanation for the change and any other exception to this rule must be given and approved by the Department Director or designee.

(2) Travelers may be reimbursed for mileage to and from the airport and long-term parking or away-from-the-airport parking.

(a) The maximum reimbursement for parking, whether travelers park at the airport or away from the airport, is the long term parking rate at the airport they are flying out of.

(b) The parking receipt must be included with the Travel Reimbursement Request, form FI 51A or FI 51B for amounts of \$20 or more.

(c) Travelers may be reimbursed for mileage to and from the airport to allow someone to drop them off and to pick them up.

(3) Travelers may use private vehicles with approval from the Department Director or designee.

(a) Only one person in a vehicle may receive the reimbursement, regardless of the number of people in the vehicle.

(b) Reimbursement for a private vehicle will be at the rate of 38 cents per mile or 54 cents per mile if a state vehicle is not available to the employee.

(i) To determine which rate to use, the traveler must first determine if their department has an agency vehicle (long-term leased vehicle from Fleet Operations) that meets their needs and is reasonably available for the trip (does not apply to special purpose vehicles). If reasonably available, the employee should use an agency vehicle. If an agency vehicle that meets their needs is not reasonably available, the agency may approve the traveler to use either a daily pool fleet vehicle or a private vehicle. If a daily pool fleet vehicle is not reasonably available, the traveler may be reimbursed at 54 cents per mile.

(ii) If a trip is estimated to average 100 miles or more per day, the agency should approve the traveler to rent a daily pool fleet vehicle if one is reasonably available. Doing so will cost less than if the traveler takes a private vehicle. If the agency approves the traveler to take a private vehicle, the employee will be reimbursed at the lower rate of 38 cents per mile.

(c) Agencies may establish a reimbursement rate that is more restrictive than the rate established in this Section.

(d) Any exceptions to this mileage reimbursement rate guidance must be approved in writing by the employees Executive Director or designee.

(e) Mileage will be computed using Mapquest or other generally accepted map/route planning website, or from the latest official state road map and will be limited to the most economical, usually traveled routes.

(f) If the traveler uses a private vehicle on official state business and is reimbursed for mileage, parking charges may be reimbursed as an incidental expense.

(g) An approved Private Vehicle Usage Report, form FI 40, should be included with the department's payroll documentation reporting miles driven on state business during the payroll period.

(h) Departments may allow mileage reimbursement on an approved Travel Reimbursement Request, form FI 51A or FI 51B, if other costs associated with the trip are to be reimbursed at the same time.

(4) A traveler may choose to drive instead of flying if preapproved by the Department Director or designee.

(a) If the traveler drives a state-owned vehicle, the traveler may be reimbursed for meals and lodging for a reasonable amount of travel time; however, the total cost of the trip must not exceed the equivalent cost of the airline trip. The traveler may also be reimbursed for incidental expenses such as toll fees and parking fees.

(b) If the traveler drives a privately-owned vehicle, reimbursement will be at the rate of 38 cents per mile or the airplane fare, whichever is less, unless otherwise approved by the Department Director or designee.

(i) The lowest fare available within 30 days prior to the departure date will be used when calculating the cost of travel for comparison to private vehicle cost.

(ii) A comparison printout which is available through the State Travel Office is required when the traveler is taking a private vehicle.

(iii) The traveler may be reimbursed for meals and lodging for a reasonable amount of travel time; however, the total cost of the trip must not exceed the equivalent cost of an airline trip.

(iv) If the traveler uses a private vehicle on official state business and is reimbursed for mileage, parking charges may be reimbursed as an incidental expense.

(c) When submitting the reimbursement form, attach a schedule comparing the cost of driving with the cost of flying. The schedule should show that the total cost of the trip driving was less than or equal to the total cost of the trip flying.

(d) If the travel time taken for driving during the employee's normal work week is greater than that which would have occurred had the employee flown, the excess time used will be taken as annual leave and deducted on the Time and Attendance System.

(5) Use of rental vehicles must be approved in writing in advance by the Department Director or designee.

(a) An exception to advance approval of the use of rental vehicles shall be fully explained in writing with the request for reimbursement and approved by the Department Director or designee.

(b) Detailed explanation is required if a rental vehicle is requested for a traveler staying at a conference hotel.

(c) When making rental car arrangements through the State Travel Office, reserve the vehicle you need. Upgrades in size or model made when picking up the rental vehicle will not be reimbursed.

(i) State employees should rent vehicles to be used for state business in their own names,

using the state contract so they will have full coverage under the state's liability insurance.

(ii) Rental vehicle reservations not made through the State Travel Office must be approved in advance by the Department Director or designee.

(iii) The traveler will be reimbursed the actual rate charged by the rental agency.

(iv) The traveler must have approval for a rental car in order to be reimbursed for rental car parking.

(6) Travel by private airplane must be approved in advance by the Department Director or designee.

(a) The pilot must certify to the Department Director or designee that the pilot is certified to fly the plane being used for state business.

(b) If the plane is owned by the pilot/employee, the pilot must certify the existence of at least \$500,000 of liability insurance coverage.

(c) If the plane is a rental, the pilot must provide written certification from the rental agency that the insurance covers the traveler and the state as insured. The insurance must be adequate to cover any physical damage to the plane and at least \$500,000 for liability coverage.

(d) Reimbursement will be made at 54 cents per mile.

(e) Mileage calculation is based on air mileage and is limited to the most economical, usually-traveled route.

(7) Travel by private motorcycle must be approved prior to the trip by the Department Director or designee. Travel will be reimbursed at 20 cents per mile.

(8) A car allowance may be allowed in lieu of mileage reimbursement in certain cases. Prior written approval from the Department Director, the Executive Director of the Department of Administrative Services, and the Governor is required.

KEY: air travel, per diem allowances, state employees, transportation

~~Date of Enactment or Last Substantive Amendment: August 22, 2016~~

~~Notice of Continuation: April 15, 2013~~

Authorizing, and Implemented or Interpreted Law: 63A-3-107; 63A-3-106

Utah Counties Indemnity Pool Committees of the Board Policy

Original Adoption Date: August 17, 2017

Last Review Date: August 17, 2017

Last Revision Date: August 17, 2017

1. Purpose

This Committees of the Board Policy outlines the policy of the UCIP Board of Trustees related to use of committees of the Board and the duties of and scope of authority delegated to certain committees.

2. Authority

The UCIP Interlocal Agreement and Bylaws allow the Board to utilize committees in the administration of the Pool.

3. Committees of the Board

a) Standing Committees

The Board has created four Standing Committees of the Board to assist in ongoing responsibilities of the Board, the duties and authority of which are enumerated herein. Members of Standings Committees shall be recommended by the Committee Chair and appointed by the Board Chair. The Standing Committees of the Board are considered permanent committees of the Board and continue to exercise the authority provided to carry out its assigned duties herein until such time as the Board rescinds that authority by majority vote. An action taken by Board to rescind the duties and authority of a Standing Committee must include an action to make appropriate amendment of the Bylaws related to such Standing Committee. A Standing Committee may not expand its scope of duties or authority. The Board may expand or limit the duties of or authority delegated a Standing Committee at any time by majority vote of the Board.

b) Ad-hoc Committees

The Board may also create, assign duties and delegate authority to ad-hoc committees of the Board to assist the Board on temporary responsibilities or responsibilities of limited scope. The Board shall create ad-hoc committees by assigning specific duties and delegating specific authority by majority vote of the Board. Members of an Ad-hoc Committee shall be appointed by the Board Chair. An Ad-hoc Committee may not expand its scope of duties or authority. The Board may expand or limit the duties of or authority delegated an Ad-hoc Committee at any time by majority vote of the Board. The Board may set out the term of the committee at the time of creation, or may terminate the committee at any time by majority vote of the Board. Ad-hoc committees shall self-terminate, relinquishing all delegated authority at the time the chair of the ad-hoc committee

determines the duties assigned the committee have been completed, or that the committee is unable or ineffective in carrying out the duties assigned to it by the Board.

4. Duties and Authority of Standing Committees

a) Audit Committee

The UCIP Bylaws Article 5.1(g) requires the Board to appoint an Audit Committee to review financial statements, actuarial analysis, make recommendations to the Board on the financial affairs of the Pool, and make an annual report to the members regarding the financial affairs of the Pool. The chair of the Audit Committee shall be appointed by a majority vote of the Board, and such chair shall serve as a member of the Board in compliance with the Bylaws. Members of the Audit Committee shall be members of the Board, recommended by the Audit Committee Chair and appointed by the Board by majority vote. In addition to those duties the Board has assigned the Audit Committee with the duties of overseeing the engagement of a firm to conduct an annual independent audit of the Pool in compliance with all applicable state and federal laws. The Audit Committee shall also meet with the independent audit team prior to or during the audit process to assure the scope of audit is sufficient based on the current circumstances of the Pool, and after the audit is complete to review and respond to the auditors Letter to the Audit Committee, the auditor's Management Letter and any other correspondence or report provided by the auditor in conjunction with the audit performed. The Audit Committee shall present the independent auditors to the Board with any comment or recommendation they deem appropriate. The Audit Committee is further charged with the oversight of investments made by the Pool, including review and recommendation to the Board of amendments to the Investment Policy. The Audit Committee is delegated all authority necessary to perform such duties on behalf of the Board, including the authority to direct UCIP management and staff to respond and provide any information, documentation or explanation requested by the independent auditors to properly perform their audit of the financial statements of the Pool. The authority of the Audit Committee does not extend to directing management or staff to make specific investments, but may make recommendation to the Board of such specific investments.

b) Law Enforcement Committee

The Board has created a Law Enforcement Committee. The chair of the Law Enforcement Committee shall be a Sheriff of a Member county, shall be appointed by a majority vote of the Board, and such chair shall serve as a member of the Board in compliance with the Bylaws. Members of the Law Enforcement Committee shall be Sheriffs, Undersheriffs or Chief Deputies of the Sheriff of a Members county recommended by the Chair of the Law Enforcement Committee and appointed by the Board by majority vote. The Law Enforcement Committee is charged with acting as liaison to the Utah Sheriff's Association and its membership and to make recommendations the Board on requested coverage or service items specific to the Law

Enforcement exposures of the Pool. The Law Enforcement Committee is delegated authority necessary to carry out its assigned duties.

c) Litigation Management Committee

The Board has created a Litigation Management Committee. The chair of the Litigation Management Committee shall be a County Attorney of a Member county, shall be appointed by a majority vote of the Board, and such chair shall serve as a member of the Board in compliance with the Bylaws. Members of the Litigation Management Committee shall be County Attorneys or Deputy County Attorneys of Member counties recommended by the Chair of the Litigation Management Committee and appointed by the Board by majority vote. The Litigation Management Committee is charged with review of claims, responding to requests from staff and defense counsel in defense strategy, reviewing requests for settlement including hearing member input on settlement of claims, recommending settlement authority from the Board when such settlement exceeds the authority provided staff, maintain the approved defense panel by interviewing applicants to the panel and making recommendation to the Board for changes to the defense panel. The Litigation Management Committee is authorized to assist staff in development and review of sample legal documents for use as best practices documents for use by the Members. The Litigation Management Committee is delegated authority necessary to carry out its assigned duties.

d) Nominating Committee

The Bylaws Article 5.1(h) requires the Board to appoint a Nominating Committee to solicit nominations for available elected Board positions, to review all nominations and select by majority vote not more than three names to be placed on the ballot for each available elected Board position. The Nominating Committee is also charged with overseeing the voting process for Board positions and to identify, solicit and recommend eligible candidates to the Board to fill open positions for the chairs of the Audit, Law Enforcement, Litigation Management and Personnel Committees of the Board.

e) Personnel Committee

The chair of the Personnel Committee shall be appointed by a majority vote of the Board, shall serve in the Personnel or Human Resource function of a Member county and such chair shall serve as a member of the Board in compliance with the Bylaws. The Personnel Committee is charged with reviewing the Personnel Policy, including the benefits provided to UCIP staff and making recommendation to the Board of any amendments thereto. The Personnel Committee is further charged with assuring the Board receives adequate training and counsel in regard to their responsibilities as a governmental employer, and in assisting staff with development of employment best practices for Pool Members. The Personnel Committee is delegated authority necessary to carry out its assigned duties.

5. Ad-Hoc Committees

a) Education Committee

The Board has created an Education Committee as an ad-hoc committee to assist Board and staff in education of members of the benefits of membership in the Pool based on increased need for such education due to increased competition. The Members of the Education Committee shall be members of the Board and shall be appointed by the Board by majority vote. The Education Committee is charged with assisting staff in developing an education plan related to the benefits of membership, providing staff with input on specific Members or areas of coverage or service which require additional education, and assist staff by directly assisting staff in Member and prospective member education. Members of the Education Committee shall be members of the Board appointed by majority vote of the Board. The Education Committee is delegated authority necessary to carry out its assigned duties. The Education Committee is delegated authority necessary to carry out its assigned duties.

b) Membership Approval Committee

The Board has created a Membership Approval Committee as an ad-hoc committee to screen applicants for Pool membership and provide recommendation to the Board on acceptance or rejection of membership requests based on an expecting increase in membership applications resulting from the expansion of eligible members to county related entities such as special service districts and interlocal entities. Members of the Membership Approval Committee shall be members of the Board appointed by majority vote of the Board. The Membership Approval Committee is delegated authority necessary to carry out its assigned duties. The membership Approval Committee is delegated authority necessary to carry out its assigned duties.

Revision History

Adopted: August 17, 2017

Memorandum

To: UCIP Board
From: Johnnie Miller
Date: August 17, 2017
RE: Reference to Members of the Board

For some time, the members of the Board of UCIP have been referred to as Trustees, and the Board has been referred to as the Board of Trustees. Because the statute sets out specific requirements when a trust is created versus another form of entity, I feel it is important for the Board to consider clarifying that the UCIP is not a trust, and the Board members are not trustees.

In researching this issue I found many articles in legal publications discussing the distinct differences between a Director and a Trustee. While some articles opined that the terms can be used interchangeably, many articles written by corporate law attorneys opined that there is a very distinct and important difference. Trustees are members of a board that oversee funds that belong to someone other than the organization the board members are appointed or elected to. In fact, trustees may not have any personal interest in the funds they oversee, and must be independent. Directors on the other hand, are members of a board that oversees funds that belong to the organization that they serve, and may have an interest in the funds, and need not be independent.

Based on UCIP's interlocal agreement and our operating policies, UCIP is clearly not a trust. Once a member pays its contribution to UCIP, those funds become an asset of UCIP, and are no longer an asset of the member. In a trust situation, a member would pay funds into the trust, and those funds would remain the asset of the individual member. Some other pools do operate as trusts, and have special requirements placed on them regarding management of the entity and structure of the board of trustees. Those requirements include having the fund managed by an independent third party administrator, and overseen by a board of trustees all of which has total independence from the members and the fund. This would mean UCIP could not be managed by UCIP employees and trustees could not be UCIP members.

I recommend that to avoid any confusion about the legal status of UCIP, the Board direct staff to change all references to Board of Trustees or Trustees to Board of Directors and Directors. Changes can be made quickly to the Bylaws, Bylaws Addendums, Policies of the Board, website, and correspondence. Because the term Board of Trustees does appear in the current version of the Interlocal Agreement, that change should be made at the earliest date that would necessitate other changes to the Interlocal Agreement.

JRM/jrm

UCIP/UAC Contract Terms

Rent

Utilities

Building Capital Expenditures

Ownership Interest in Building

Use of Space

- Offices

- Storage

- Common Areas

- Meeting Rooms

- Equipment

- Parking

Quiet Enjoyment

Damage to Building or Equipment

Coordination of Personnel

- Conference Planning

- Conference Administration

- Website and Social Media Assistance

Conference Space

Conference Sponsorship

Support of County Based Entities

Training Workshops

Affiliate Assistance

Separation of Records and Data

Use of Web Based Utilities

- Internet Access

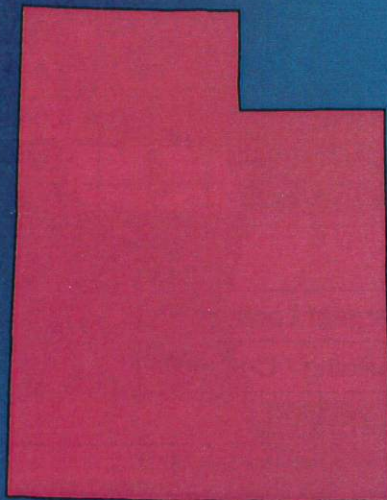
- Website

Legislative Coordination



MARSH

**UTAH
COUNTIES**
INDEMNITY POOL



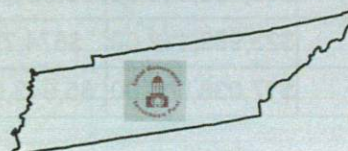
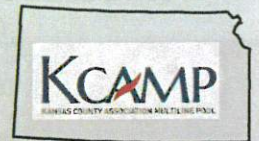
Marketing Reference Material

July 1, 2017—2018 Property Renewal

CRL Spring Board Meeting

Cleveland, OH

May 16th-18th, 2017



Non-Catastrophic Underwriting

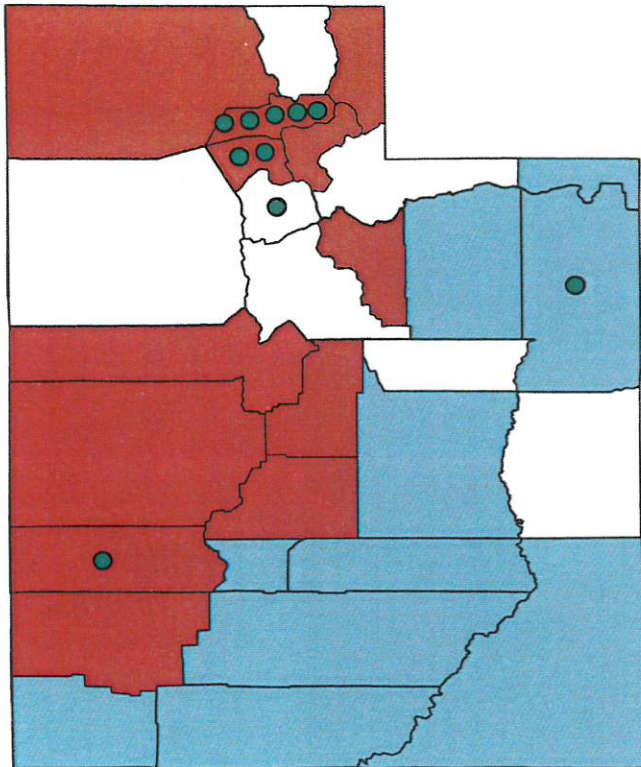
(building values)

Member

Earthquake Member (\$1,169,046,782)

● Top 10 Locations by TIV

20%
of Utah building
values (1,161 locs)
are under the
\$2,000,000 CRL
Retention



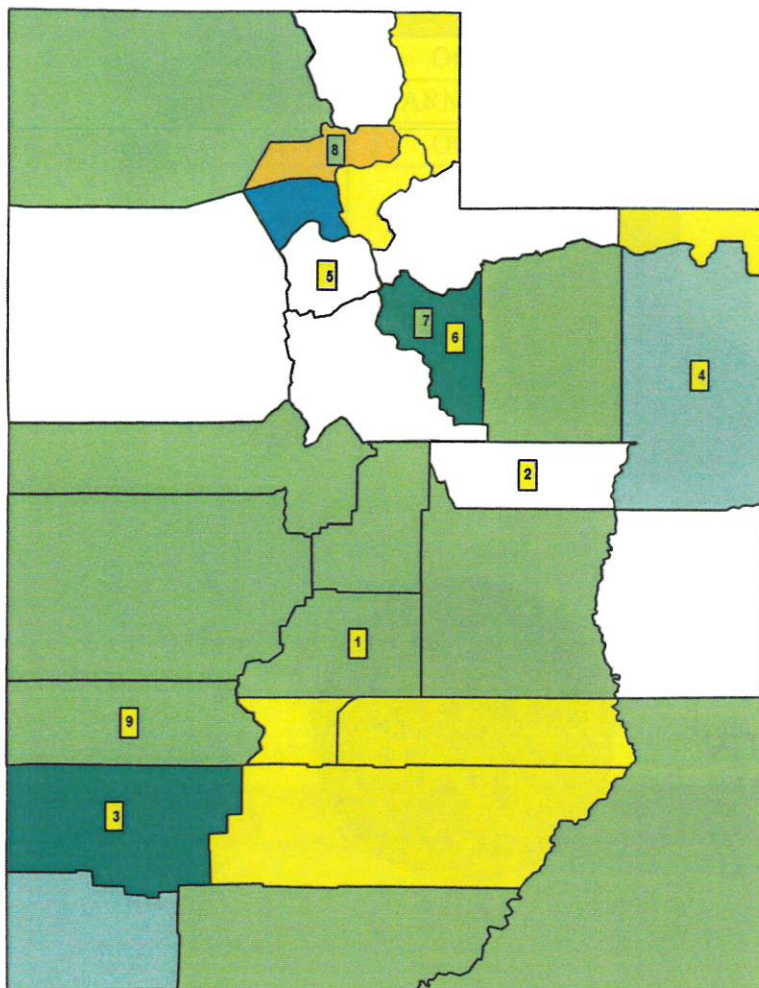
Value Range	# Locs	% Location	Aggregate Value	% Value
< \$250K	800	61.73%	\$56,206,865	3.64%
\$250K - \$500K	149	11.50%	\$53,568,850	3.47%
\$500K - \$1M	139	10.73%	\$100,660,565	6.52%
\$1M - \$2M	73	5.63%	\$100,313,275	6.50%
\$2M - \$5M	65	5.02%	\$206,253,867	13.36%
\$5M - \$7.5M	25	1.93%	\$149,658,866	9.69%
\$7.5M - \$10M	12	0.93%	\$102,935,180	6.67%
\$10M - \$15M	11	0.85%	\$132,233,505	8.57%
\$15M - \$20M	7	0.54%	\$121,040,939	7.84%
\$20M - \$25M	8	0.62%	\$179,996,758	11.66%
> \$25M	7	0.54%	\$340,839,724	22.08%
	1,296		\$1,543,708,394	

Largest Location	\$83,588,730
Building / Contents	\$1,543,708,394
Vehicles	\$105,783,276
Mobile Equipment	\$79,812,911
Piers	N/A
Bridges	N/A
Dams	N/A
Watercraft	N/A
Fine Arts	N/A
Drones	\$61,933
Total Values	\$1,729,366,514

10 Largest Locations by TIV

Address	City	County	Building	Contents	Total	Occupancy
800 W State St	Farmington	Davis	\$73,243,600.00	\$10,345,130.00	\$83,588,730	County Jail
721 W 12Th St	Ogden	Weber	\$59,422,966.00	\$6,309,000.00	\$65,731,966	County Jail
1835 Convention Ctr Dr	St. George	Washington	\$45,636,383.00	\$3,853,293.00	\$49,489,676	NOT APPLICABLE
631 E 300 S	Vernal	Uintah	\$44,319,876.00	\$3,911,500.00	\$48,231,376	County Jail
2380 Washington Blvd	Ogden	Weber	\$22,677,098.00	\$17,156,980.00	\$39,834,078	Office
2415 Washington Blvd	Ogden	Weber	\$23,914,128.00	\$3,722,600.00	\$27,636,728	Auditorium/Theater
2270 S 525 W	Beaver	Beaver	\$22,094,800.00	\$4,232,370.00	\$26,327,170	County Jail
61 S Main St	Farmington	Davis	\$15,058,600.00	\$9,821,122.00	\$24,879,722	Office
2415 Washington Blvd	Ogden	Weber	\$23,989,112.00	\$674,700.00	\$24,663,812	Historic Property
2039 W 4000 S	Roy	Weber	\$17,038,000.00	\$5,943,000.00	\$22,981,000	Library

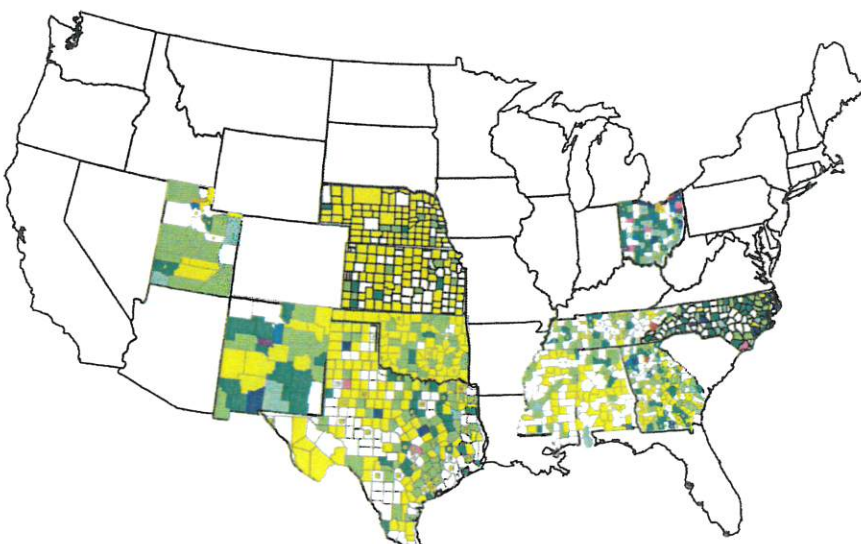
Spread of Risk



- *1 Central Utah Public Health Dept.
- *2 Southeast Utah District Health Dept.
- *3 Southwest Utah Public Health Dept.
- *4 Tri County Health Department
- *5 Utah Counties Indemnity Pool
- *6 Washington County Health Dept. & Parks & Rec
- *7 Wasatch County Interlocal Agency
- *8 Weber Human Services & Health Dept.
- *9 Five County Association of Governments

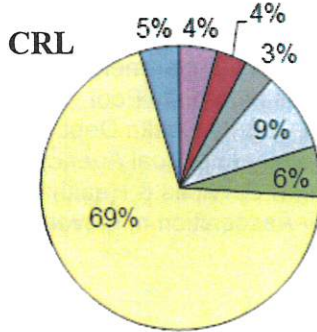
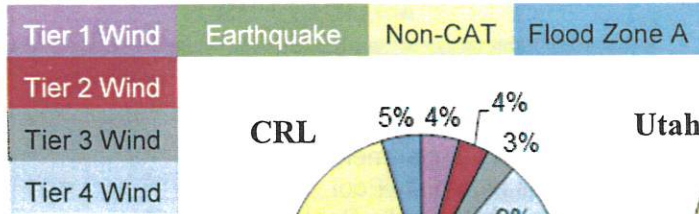
Fire Reports

- **2014**
 - 721 W. 12th Street, Ogden, UT
 - 2415 Washington Blvd. Ogden, UT
 - 2380 Washington Blvd. Ogden, UT
- **2015**— none performed
- **2016**— none performed
- **2017**
 - 800 W State St, Farmington, UT
 - 8835 Convention Dr, St. George, UT

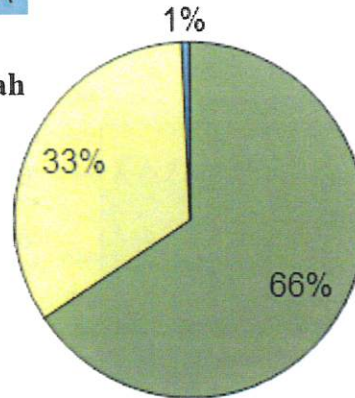


Catastrophic Underwriting

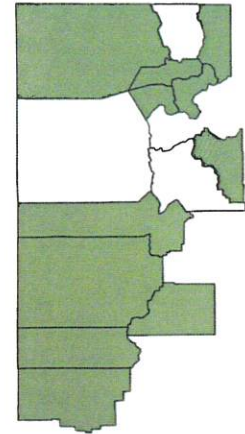
CAT Exposure as a % of TIV



Utah



Earthquake Counties

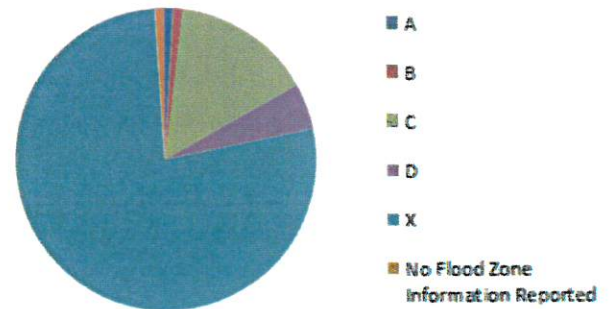


Flood Exposure - Per TIV Submitted

(locations excess of \$250,000)

Values in parenthesis are from the previous year

- Flood Zone A: 11 (14) locations | \$11,073,767 TIV
- Flood Zone B: 2 (1) location | \$7,530,650 TIV
- Flood Zone C: 119 (12) locations | \$211,355,781 TIV
- Flood Zone D: 37 (38) locations | \$64,515,404 TIV
- Flood Zone X: 257(239) locations | \$1,103,535,422 TIV
- No Flood Zone: 11 (66) locations | \$10,295,695 TIV



Earthquake

CRL Probable Maximum Loss (PML) Study Results

Return Period	Earthquake		Weighted Average	Return Period	Hurricane		Weighted Average
	RMS 16.0	AIR 4.2			RMS 16.0	AIR 4.2	
AAL	\$2,014,086	\$2,420,346	\$2,135,964	AAL	\$4,281,957	\$5,106,556	\$4,529,337
100-year	\$57,370,115	\$53,881,984	\$56,323,676	100-year	\$62,884,893	\$59,057,021	\$61,736,531
250-year	\$100,057,936	\$99,817,340	\$99,985,757	250-year	\$98,511,489	\$80,355,660	\$93,064,740
500-year	\$156,782,381	\$179,310,362	\$163,540,775	500-year	\$132,229,891	\$97,878,917	\$121,924,599
1,000-year	\$295,824,049	\$395,556,758	\$325,743,862	1,000-year	\$172,484,175	\$120,869,300	\$156,999,713

Utah Probable Maximum Loss (PML) Study Results

Return Period	Earthquake		Weighted Average
	RMS 16.0	AIR 4.2	
AAL	\$531,978	\$702,422	\$583,111
250-year	\$42,122,638	\$59,593,785	\$47,363,982
1,000-year	\$90,246,397	\$99,411,859	\$92,996,036

Data Quality Locations (2014-2015 Policy Year)

Address	City	County	2014 AAL (Earthquake)*	2015 AAL (Earthquake)*	2016 AAL (Earthquake)*	2017 AAL (Earthquake)*
2415 WASHINGTON BLVD**	OGDEN	WEBER	\$40,840	\$32,615	\$34,087	\$34,775
800 W STATE ST (Jail)	FARMINGTON	DAVIS	\$69,891	\$23,135	\$23,925	\$24,100
2380 WASHINGTON BLVD	OGDEN	WEBER	\$38,505	\$17,557	\$18,012	\$23,144

*RMS

**Theater

Utah Data Quality Drivers*(locations excess of \$250,000)*

- 12 (17 in 2016) locations with no address
- 492 (465 in 2016) locations with no latitude or longitude
- 6 (7 in 2016) locations with no year built
- 39 (54 in 2016) locations with no roof construction
- 4 (43 in 2016) locations with no finished floor elevation

**Utah Average Annual Loss
(AAL) Summary**

Hurricane			Earthquake		
Year	Blended AAL	Allocated Premium	Year	Blended AAL	Allocated Premium
2016	\$0	\$0	2016	\$574,837	\$30,430
2017	\$0	\$0	2017	\$583,111	\$35,071

Top Locations by AAL– RMS

Street Address	City	County	State	Postal Code	Total Values	Earthquake AAL	Hurricane AAL	Total AAL
721 W 12TH ST ¹	OGDEN	WEBER	UT	84401	\$65,731,966	\$42,997	\$0	\$42,997
2415 WASHINGTON BLVD ^{1,2}	OGDEN	WEBER	UT	84401	\$24,663,812	\$34,775	\$0	\$34,775
2039 W 4000 S ¹	ROY	WEBER	UT	84067	\$22,981,000	\$27,476	\$0	\$27,476
800 W STATE ST ^{1,2}	FARMINGTON	DAVIS	UT	84025	\$33,249,404	\$24,100	\$0	\$24,100
2415 WASHINGTON BLVD ¹	OGDEN	WEBER	UT	84401	\$27,636,728	\$23,775	\$0	\$23,775
2380 WASHINGTON BLVD ^{1,2}	OGDEN	WEBER	UT	84401	\$39,834,078	\$23,144	\$0	\$23,144
800 W STATE ST ¹	FARMINGTON	DAVIS	UT	84025	\$34,209,810	\$22,592	\$0	\$22,592
52 S 1000 ¹	BRIGHAM CITY	BOX ELDER	UT	84302	\$12,588,179	\$15,644	\$0	\$15,644
61 S MAIN ST ¹	FARMINGTON	DAVIS	UT	84025	\$24,879,722	\$14,866	\$0	\$14,866
1 S MAIN ST ¹	BRIGHAM CITY	BOX ELDER	UT	84302	\$11,690,359	\$13,881	\$0	\$13,881
2549 KIESSEL AVE ¹	OGDEN	WEBER	UT	84401	\$16,853,699	\$12,327	\$0	\$12,327
725 S MAIN ST ¹	BOUNTIFUL	DAVIS	UT	84010	\$7,947,320	\$9,395	\$0	\$9,395
237 26TH ST ¹	OGDEN	WEBER	UT	84401	\$15,400,584	\$7,696	\$0	\$7,696
1181 FAIRGROUNDS DR ¹	OGDEN	WEBER	UT	84401	\$6,346,802	\$7,435	\$0	\$7,435
1181 FAIRGROUNDS DR ¹	OGDEN	WEBER	UT	84401	\$6,192,397	\$7,177	\$0	\$7,177
28 E STATE ST ¹	FARMINGTON	DAVIS	UT	84025	\$20,536,850	\$7,138	\$0	\$7,138
2136 N MAIN ST ¹	CEDAR CITY	IRON	UT	84720	\$20,537,700	\$6,789	\$0	\$6,789
4390 HARRISON BLVD ¹	OGDEN	WEBER	UT	84401	\$11,940,788	\$6,669	\$0	\$6,669
2464 JEFFERSON AVE ¹	OGDEN	WEBER	UT	84401	\$16,582,873	\$6,407	\$0	\$6,407
160 N MAIN ST	NEPHI	JUAB	UT	84648	\$9,947,400	\$6,027	\$0	\$6,027
444 24TH ST	OGDEN	WEBER	UT	84401	\$6,886,110	\$5,689	\$0	\$5,689
883 W CLARK LN	FARMINGTON	DAVIS	UT	84025	\$7,453,680	\$5,483	\$0	\$5,483

¹ Utah locations in the top 50 locations in the CRL portfolio as RMS 16.0 Earthquake AAL drivers² Utah locations where CAT DQ Reports have been completed

Loss History & Pricing

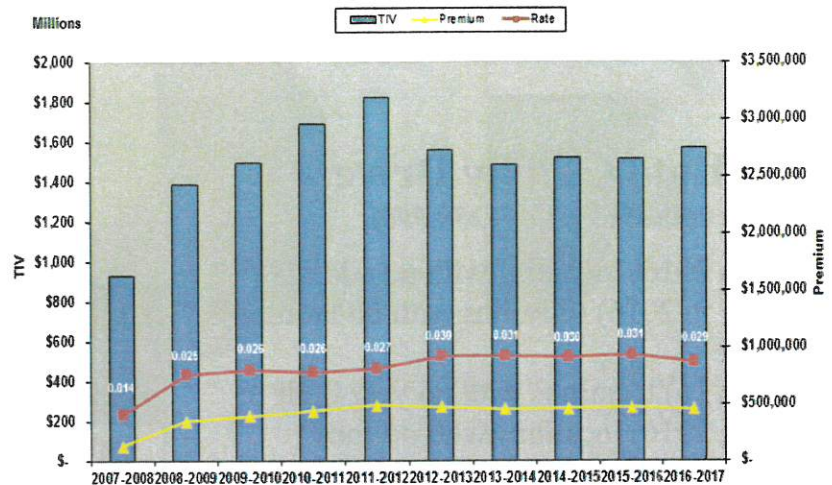
Historical Loss History

CRL + Lexington

Year	Premium	Losses	Loss Ratio
2007	\$94,137	\$0	0.00%
2008	\$241,279	\$0	0.00%
2009	\$292,723	\$0	0.00%
2010	\$314,598	\$0	0.00%
2011	\$359,022	\$82,617	23.01%
2012	\$418,016	\$1,315,029	314.59%
2013	\$388,029	\$321,013	82.73%
2014	\$384,788	\$0	0.00%
2015	\$398,107	\$0	0.00%
	\$2,890,699	\$1,718,659	59.45%
2016	\$401,052	\$0	0.00%
Total	\$3,291,751	\$1,718,659	52.21%

Historical Program Pricing

CRL + 100% Reinsurance Panel



Assigned Loss Adjuster = Vericlim

UT Renewal Pricing (Detail)

True Up 2016-2017

Fire/AOP:	\$116,732
Tier 1:	\$0
Tier 2:	\$0
Tier 3:	\$0
Tier 4:	\$0
Earthquake:	\$35,071
Other:	\$8,647
Object Cert.:	\$6,917
Terrorism:	\$10,376
CRL Other	\$1,729
CRL Tier 1:	\$0
CRL 250x250:	\$115,003
CRL 250x500:	\$63,987
CRL 250x750:	\$39,084
CRL 1Mx1M:	\$95,807
B&M:	\$5,188
Total:	\$498,542
Rate Change:	(6.4%)

Expected 2017-2018

Fire/AOP:	\$116,732
Tier 1:	\$0
Tier 2:	\$0
Tier 3:	\$0
Tier 4:	\$0
Earthquake:	\$35,071
Other:	\$17,294
Object Cert.:	\$6,917
Terrorism:	\$10,376
CRL Other	\$3,459
CRL Tier 1:	\$0
CRL 250x250:	\$111,890
CRL 250x500:	\$54,129
CRL 250x750:	\$35,798
CRL 1Mx1M:	\$103,243
B&M:	\$5,188
Total:	\$500,098
Rate Change:	0.03%

UT Renewal Pricing (Summary)

True Up 2016-2017

Fire/AOP & Other:	\$440,988
Windstorm:	\$0
Earthquake:	\$35,071
Object Cert/B&M:	\$12,106
Terrorism:	\$10,376

Expected 2017-2018

Fire/AOP & Other:	\$442,545
Windstorm:	\$0
Earthquake:	\$35,071
Object Cert/B&M:	\$12,106
Terrorism:	\$10,376

Other Items

Boiler & Machinery

Annual Inspection Visits (by year)				
State	2014	2015	2016	2017 (YTD)
Utah	103	94	90	82

YTD Jurisdictional Object Status			
State	Total Objects	Due/Overdue	% Current
Utah	265	1	100.0

Loss Prevention Reports and Recommendations (1/1/2016 - YTD)							
State	LPR's	Code	Open Code	Critical	Priority	Advisory	Follow-up
Utah	5	6	1	0	0	0	5

HSB Inspection Hotline
1-800-333-INSP(4677)
Reference #: 2319702

Distribution: Sonya White, Marty Stevens & Leigh Bailey (Marsh)

Engineering

- **Fire/AOP** (*Top locations excess of \$50M*)
-None
- **CATDQ Reports Needed** (*excess of 20k AAL*)

Address	City	County	Earthquake AAL	Hurricane AAL	Total AAL
721 W 12TH ST	OGDEN	WEBER	\$42,997	\$0	\$42,997
2039 W 4000 S	ROY	WEBER	\$27,476	\$0	\$27,476
2415 WASHINGTON BLVD	OGDEN	WEBER	\$23,775	\$0	\$23,775

Proposed Reinsurance Enhancements

- Non-New Madrid Earthquake - increased from \$500M to \$600M and increased per member limit from \$100M to \$125M
- Non-SFHA Flood - increased from \$500M to \$600M and increased per member limit from \$100M to \$125M
- SFHA Flood - increased from \$100M to \$150M and increased per member limit from \$20M to \$25M
- Tier 1/2 Named Storm - increased from \$300M to \$350M

Property Advisory

Greg Mann
(404) 995-3048
Gregory.S.Mann@marsh.com

Property Placement

Lindsay Grimes
(404) 995-3206
Lindsay.Grimes@marsh.com

Broker Representative

Leigh Bailey
(404) 995-2580
Leigh.Bailey@marsh.com

2017-2018 Property Service Team

Bowring London

Ryan Bond
44207 357 3213
Ryan.Bond@marsh.com

Bowring Shanghai

Max Zhu
86 15618590800
Max.Zhu@marsh.com

Bowring Zurich

Elaine Casaprima
41 44 285 9313
Elaine.M.Casaprima@marsh.com

Bowring Bermuda

Tom Cechini
441 299 8848
Thomas.P.Cechini@marsh.com

Sandeep Nijjer
44207 357 5949
Sandeep.Nijjer@marsh.com

Bowring Singapore

Urdz Paraan
65 69228576
Urdja.Paraan@marsh.com

Ben Marshall
41 44 285 9318
Ben.Marshall@marsh.com

Neil Robb
441 278 1362
Neil.Robb@marsh.com

William Steer-Matthews
44207 357 3421
William.Steer-Matthews@marsh.com

Guy Carpenter

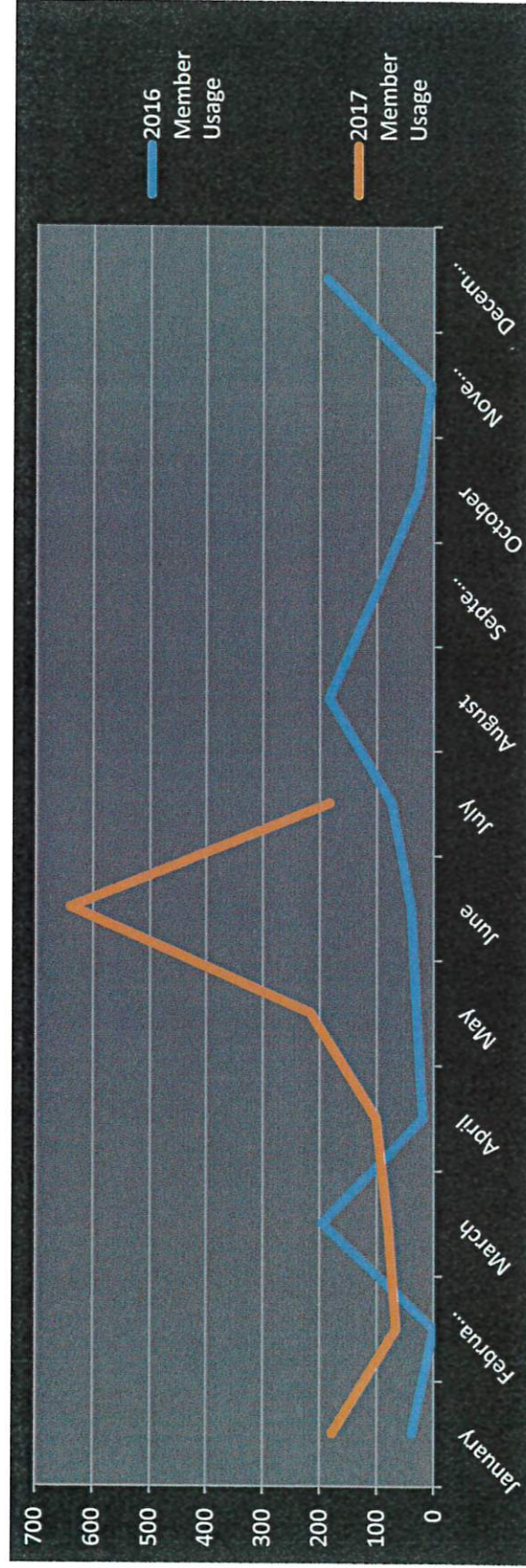
Eunice Adler
(917) 937-3303
Eunice.Adler@guycarp.com

Stephen Hoes
(404) 926-1817
Steve.Hoes@guycarp.com

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UTAH COUNTIES INDemnITY POOL	2016		2017	
	Member Usage	Account Activity	Member Usage	Account Activity
January	38	38	179	5
February	0	0	67	6
March	196	2	81	6
April	19	3	102	4
May	30	3	217	9
June	39	3	640	9
July	74	4	183	8
August	184	4		
September	103	4		
October	26	5		
November	4	2		
December	188	5		
Total	901	73	1469	47



Current Licenses Available: **964**

UCIP's

Risk Management

WORKSHOP 2017

Wednesday, August 30

8:00 **Breakfast**

8:30 **Welcome and Introductions**

8:45 **Selling Risk—Top Down and Bottom Up:** **Dean Coughenour**

Getting others to understand the importance of risk management is not always an easy task. Mr. Coughenour, a regular speaker for the Public Risk Managers Association will share his strategies to promote risk management to all levels of your agency's management.

10:15 **Networking Break**

10:30 **Drones—Privacy and Safety:** **Randy Dryer**

Drones continue to grow in popularity, as new uses for them are implemented every day. For the public agency risk manager, concerns regarding how the agency is using drones are compounded by the need to also address how others are using drones in public arena.

12:00 **Lunch**

1:00 **Cyber Risk Responsibilities:** **Elaina Maragakis, Sergeant Jeffrey Plank, Dean Sapp**

In an increasingly technological world, digital threats are becoming more sophisticated and frequent. Managing this risk may be intimidating, yet it is absolutely essential to public safety and continued success. Professionals from the Salt Lake Chamber's Cybersecurity Leadership Council will be sharing powerful, achievable solutions to help you make your agency cyber secure.

3:00 **Networking Break**

3:15 **Rise in ADA Non-Compliance Claims—How to Be Prepared:** **Kristin VanOrman**

There is clearly a trend of increased claims for non-compliance with the Americans with Disabilities Act. Ms. VanOrman will discuss this trend, and the things your agency can do to be prepared for an ADA claim.

4:15 **State Nepotism Laws and How to Handle the Exceptions:** **Susan Black Dunn**

While exceptions exist in the Prohibiting Employment of Relatives Act, special accommodations must be made when an employee is supervised by a relative. Ms. Dunn will review the Act and provide her thoughts on how to utilize the exceptions in the Act.

Thursday, August 31

8:00 **Breakfast**

8:30 **Active Shooter:** **Sergeant Wyatt Weber**

While we have been lucky in Utah to not have experienced a mass shooting, we need to be sure we are prepared for that possibility. The Utah Department of Public Safety has been conducting training on preparedness for active shooter incident. Sergeant Weber will discuss the importance of active shooter training, what is involved in planning for an active shooter exercise, and the basics of how to react if you are caught up in an active shooter incident.

10:00 **Networking Break**

10:15 **Effective Safety Training Techniques for the Trainer:** **Danielle Denne**

Training is a crucial part of any agency's risk management efforts. Some training must be tailored to your agency's specific policies and procedures, which require you to occasionally develop your own training presentations. Ms. Denne will provide insight into how to develop and present an effective training session.

11:30 **Promoting the Portal—Training for Officials and Employees:** **Tony Green**

On-line training provides your agency a great way to train employees on a wide variety of topics, in a very flexible format, with solid documentation of the training completed. Mr. Green will review how to best utilize the on-line training option to supplement your overall training programs.

12:30 **Lunch**

17000 Hwy 40, Daniels Summit Pass, Heber City



2017 COUNTY ELECTED OFFICIALS RIDE



SEPTEMBER 14TH

JOIN US FOR THE 2017 COUNTY ELECTED OFFICIALS ATV / UTV RIDE ON THE PAIUTE TRAIL

Ride departs from Marysvale, Utah Community Center 9:00 am

Breakfast (7:00-9:00) Provided by FIRM (Foundation for Integrated Resource Management)
Lunch Provided by UCIP (Utah Counties Indemnity Pool) & UAC (Utah Association of Counties)

Register at <https://goo.gl/7vtqCP>

For additional Information Contact Darin Bushman, 435-231-2444

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